



# IGNITING DIGITAL INNOVATION



**ANNUAL REPORT**  
**2017-2018**



# RPG Group

Established in 1979, the RPG Group is a diversified conglomerate with interests in the areas of infrastructure, tyres, information technology, pharmaceuticals, energy and plantations. Founded by Dr. R P Goenka, the group's lineage dates back to the early 19th century. Today, the group has several companies in diverse sectors predominantly Zensar Technologies, CEAT, KEC International, and RPG Life Sciences. Built on a solid foundation of trust and tradition, the RPG name is synonymous with steady growth and high standards of transparency, ethics and governance.

## **Forward looking statement**

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as anticipates, estimates, expects, projects, intends, plans, believes, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

Sometime ago we launched the RPG group's new brand tagline – Hello Happiness. This tagline will henceforth form a part of our group's ethos. Our Vision tenets clearly outline the path we will all collectively traverse – one that seeks to propel every RPGian to overcome their own limitations; one that will drive each of us to contribute and shape the lives of others around us positively; an organisation where dreams will not be constrained by fences. The smiley signifies 'THAT' Happiness which is within our grasp, which is the culmination of our Vision tenets and is now captured in our tagline. Hello Happiness is a bold statement of confidence and purpose – a statement that helps us open our doors to a world of opportunities and possibilities; a statement that signifies our intent to touch and enrich the lives of others.

 **hello happiness**

# IGNITING DIGITAL INNOVATION

Create real business impact

Digital is now an integral part of our lives.

They influence opinions across a range of subjects – from the political to the economical to the social.

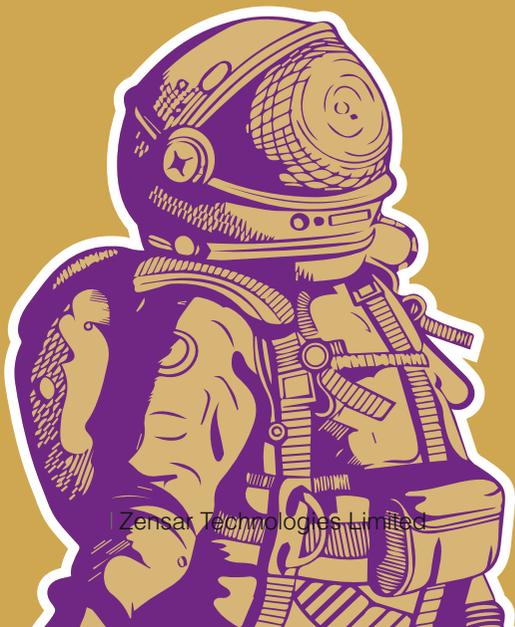
They influence consumer behaviour, impact economic direction and growth.

This digitalness of our existence is manifested when we book a cab on our smartphone, buy something off the internet, book a room on the other side of the world or read a political commentary on a subject of our choice.

The result is that every business is now virtually a digital business.

At Zensar, we are addressing this unprecedented sectoral opportunity by igniting digital innovation.

This digital innovation has helped widen our service bouquet, evolved transactions to partnerships, graduated moderate customer impact to business-strengthening solutions and evolved our engagement from a time-specific impact towards business sustainability.



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# Corporate Snapshot

Zensar Technologies is an organisation focusing on providing cutting-edge digital solutions and services by leveraging technological innovation and living digital. The Company is backed by the USD 3 billion RPG Enterprises and the USD 40 billion APAX Portfolio Company. Zensar Technologies is one of just five technology companies to be listed on the Bombay Stock Exchange for over 54 years.

## Our Vision

Leaders in business transformation

## Our Mission

We will be best in delivering innovative, industry focused solutions with measurable business outcomes

We will partner with customers for their success

## Our Values

Customer-centricity, commitment to the people and the community, continuous innovation and excellence.

## About us

Zensar Technologies Limited is a digital solutions and technology services company focusing on enterprise digital transformation. A USD 480 million organisation, the Company has offerings across the digital value chain, with a proven track record of innovation. Zensar delivers comprehensive business solutions to be a partner of choice for customers in enabling transformation and business excellence by leveraging its diverse portfolio of solutions and services. The Company has been involved in transforming companies from legacy to state-of-the-art systems, assisting business expansion and growth through the unique and proven Return on Digital@ proposition.

## Offerings

Zensar offers a gamut of solutions and services, which comprise mission critical, enterprise, analytics, intelligence and relationship management tools. The Company followed the approach of 'walking the talk', becoming its first customer, and developing tools which have an established track record and pedigree. The 'mobile first' philosophy extends the access through Cloud and mobility, while at the same time applying learnings from proven solutions. Zensar's portfolio has digital solutions and services to enhance each aspect of modern business, providing valuable insights, actionable data and improved decision-making through analytics.

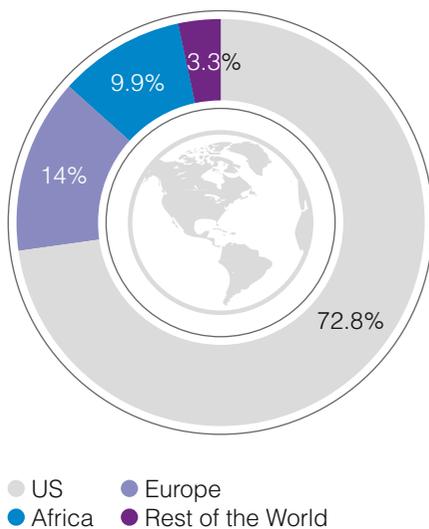


## Financial Highlights 2017-18 ■■■■



\*As per fact sheet

## Revenue by geography



## Our clients

**253** active clients, FY18

**63** of Zensar's clients were USD 1+ million companies

**13** of Zensar's clients were USD 5+ million companies

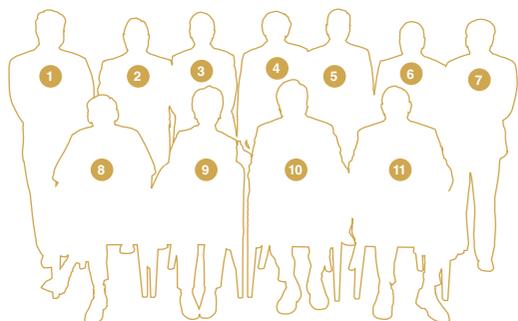
**87.1%** of clients engaged in repeat business

## Presence

Zensar's presence is spread across global locations in the US, UK, Europe, South Africa, Middle-East, India and APAC. Zensar has global delivery centers across India (Pune, Hyderabad, Mumbai and Bangalore), UK (Reading), Africa (Johannesburg), and US (Westborough).



# Board of Directors



1. **Sudip Nandy**  
*Independent, Non-Executive Director*
2. **Ben Druskin**  
*Independent, Non-Executive Director*
3. **Shashank Singh**  
*Non-Independent, Non-Executive Director*
4. **Harsh Mariwala**  
*Independent, Non-Executive Director*
5. **Sandeep Kishore**  
*Chief Executive Officer & Managing Director*
6. **Arvind Agrawal**  
*Non-Independent, Non-Executive Director*
7. **Ketan Dalal**  
*Independent, Non-Executive Director*
8. **A.T. Vaswani**  
*Independent, Non-Executive Director*
9. **Tanuja Randery**  
*Independent, Non-Executive Director*
10. **H. V. Goenka**  
*Chairman, Non-Executive Director*
11. **Venkatesh Kasturirangan**  
*Independent, Non-Executive Director*

# Leadership Team



**Sandeep Kishore**  
*Chief Executive Officer & Managing Director*



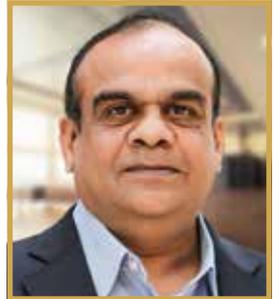
**Vivek Ranjan**  
*Chief Human Resources Officer*



**Navneet Khandelwal**  
*Chief Financial Officer*



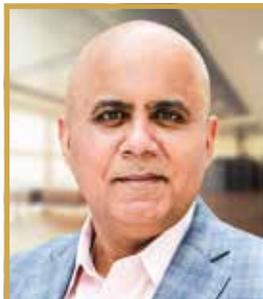
**Ajay Bhandari**  
*Chief Corporate Development Officer*



**Harish Gala**  
*Executive Vice President, Strategic Programs*



**Prameela Kalive**  
*Executive Vice President & Global Delivery Head, Applications & Digital Solutions*



**Harjott Atrii**  
*Executive Vice President & Global Head, Cloud & Infrastructure Services Business*



**Durai Velan**  
*Executive Vice President & Global Head Retail Business*



**Venky Ramanan**  
*Executive Vice President & Global Head Platinum Accounts*



**Malay Verma**  
*Executive Vice President & Head US Sales*



**Chaitanya Rajebahadur**  
*Senior Vice President & Head Europe*



**Harish Lala**  
*Senior Vice President & Head Africa*



**Sanjeev Malik**  
*Senior Vice President & Global Head, Large Deals and Strategic Relationships*

# Chairman's **Message**



We embarked on an ambitious journey towards becoming synonymous with everything digital. It gives me great pleasure to see Zensar transform itself seamlessly, placing its eco-system at the center of this change. The ecosystem consists of our customers, shareholders, workforce, partners, investors and the communities we operate in. Digital is mainstream today and we need to take the first step towards embracing this future. All our initiatives have seen positive responses, emboldening us to take these strides and envision new goals.



We are focused on expanding our customer base by bringing in innovation where it matters, to help address challenges facing the customer. Zenlabs, our innovation hub will drive adoption of next-generation technology solutions, making us adapt faster to the changing needs of the industry

The team at Zensar has brought in fresh energy, clarity of purpose and vision coupled with on-ground strategies needed to create opportunities for growth and success. Our customers have welcomed our refreshingly different way to leverage digital - the Return on Digital® approach. We are one of the few companies to have transformed ourselves into 100% digital, a feat that was captured as a case study of transformation by the Harvard Business School. Truly, a matter of pride for all of us.

Overall, the industry has been showing signs of multiple volatile forces impacting the growth curve. Our key regions of USA, UK and South Africa did see some changes, which we were able to anticipate in advance, enabling us to take suitable measures to mitigate them. We will continue keeping a close watch on the ensuing changes, to arm us with the flexibility needed to make changes where required.

This year saw many new wins that are significant in size and brand value. This has been possible due to a wide range of market-ready digital solutions developed in-house by our talented teams. We are focused on expanding our customer base by bringing in innovation where it matters, to help address challenges facing the

customer. Zenlabs, our innovation hub will drive adoption of next-generation technology solutions, making us adapt faster to the changing needs of the industry.

High-level disruption is driving change around us, and we need to be ready to leverage this as a catalyst. One of the clear ways to do that is to add to our offerings through well-planned acquisitions. Cynosure, a Guidewire Partner in the area of Property and Casualty Insurance, was acquired in FY18, increasing our opportunities in the insurance sector. Our earlier acquisitions of Keystone and Foolproof have been integrated into the larger strategy, bringing in new customer relationships.

We are on the right path to delivering on our digital-first strategy, as we build new ways to grow our business, bring in more value to our shareholders and create a team with long-ranging vision. We are confident that the Company is well poised to blaze new trails on the digital highway by becoming future ready: TODAY.

**H. V. Goenka**  
*Chairman*

## CEO's Note



I am excited and honored to share with you our achievements this past year. Zensar is now a 100% living digital entity, gaining prominence as an exceptional solutions provider in our industry. Over the past two years, we have made huge strides and progress in our quest to become 100% living digital. Our mandate to deliver innovation at home first has propelled us to deliver these same capabilities to our customers around the world. In April, Harvard Business School, one of the most prestigious institutions in the world, released a case study detailing the efforts which have brought us to this point.

First and foremost, kudos to our amazing team for the willingness to go beyond the acceptable and to soar into innovation. Zensarians have exhibited will, aptitude and great energy in moving our company forward and the proof is in the momentum we now have. Customers place their trust in us when it comes to transformation. A shift in mindset internally has led to a shift in customer mindset — and that shows.

Zenlabs, our innovation hub in Pune, was launched at the beginning of FY18 with a clear charter: to build real-world, customer-focused solutions across next generation technologies. The technology of tomorrow is here today and will one day be standard procedure. We have arrived early. We have rolled up our sleeves and dived in to become a valuable partner to our customers. With Zenlabs, we are able to work deep within the research ecosystem by creating partnerships where bright minds live — in universities and startups. We have expanded Zenlabs to Hyderabad as we saw the immediate value of opening access to customers and employees to co-create and collaborate. We have already filed 25 patents across our research team. This is reflective of the technical adroitness of our leaders at Zenlabs.

We have enhanced our organisational structure to offer more comprehensive, customer-centric solutions. Leadership is now empowered to drive future-ready solutions, win larger business and make stronger impact. We have strengthened our client-facing teams across Sales, Presales, Delivery, Practices and Zenlabs to accelerate growth. Customer response is positive, underlying that our initiatives are in the right direction. We are leveraging our industry alliances to build new business opportunities. Simply put, Zensar is poised to outperform competitors across multiple levels.

Our reach across the globe is also growing. In the past 12 months, we have added two impressive new offices in London (Folgate Street and Reading, London), E-Park in Pune (Zenlabs and Intelligent Command Center), RMZ 1 and 2 in Bangalore, India and locations in Dallas, Texas and Bellevue, Washington. We opened our first customer nearshore delivery center in North Carolina, USA enabling us to deliver global solutions to customers in a relevant way. South Africa and UK continue to perform consistently as partners to tier one brands. We are making our presence known.

In March 2018, we welcomed Cynosure to our family. A Guidewire Partner, Cynosure immediately brought new business to our portfolio and gave us new offerings in the ever-evolving property and casualty insurance sector. Cynosure joins Foolproof and Keystone as our third acquisition in just two years, making us more equipped than ever to deliver 360-degree solutions.

In FY18, we won two of our largest deals in company history. The first is a USD 100 million TCV win with a Fortune 100 company in the new area of Business Operations to drive higher business impact from their campaign and asset management. The second is a USD 79 million TCV win with City of San Diego in our Cloud and Infra services businesses. Overall, we won USD 400+ million TCV of new business from existing and new customers all due to the efforts of our determined teams across the globe.

Our first-ever Customer Satisfaction Survey placed us fittingly in the top 25% in the industry. We will increase our efforts even more to be the best in class in creating value for clients. Project delivery, account management, value creation, digital and new technologies, service delivery and resource management are just some of the ways we shine.

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At Zensar, our people are our true differentiators. The attitude, energy and enthusiasm of each Zensarian is phenomenal. I am convinced that as we go forward they will make Zensar shine even brighter. We have charted new paths in the last two years at a very fast pace and our people have been at the forefront of each new digital step we have taken. Our customers hold us to a high bar and we strive to raise that bar every day. Our shareholders — all of you — have been the driving force for us to be the very best in business. We move forward every day knowing that we can build on our achievements for a better Zensar for all.

**Sandeep Kishore**

*Chief Executive Officer and Managing Director*

# Return on Digital®

Digital is everywhere in our lives, from the time we book a cab on our smartphone to buying something off the net or booking a room on the other side of the world without an intermediary.

These realities imply that an increasing number of enterprises need digital capabilities. Going ahead, a disproportionately large share of global businesses will be done by companies that are digital or leverage digital intrinsically.

There is a growing case for going digital faster than ever. Conventional brick-and-mortar structures and even web-based activities are proving to be table stakes. There is a greater premium among companies to explore new channels that widen revenue sources and accelerate business speed.

Zensar foresaw this rapid transformation and invested in an overarching Return on Digital® (ROD) platform and solutions. At Zensar, ROD is about creating tangible and sustainable business impact by providing the full potential of business value at scale. Our Return on Digital® platform enables enterprise transformation across three phases,

namely: establishing stability of core systems, digital crossover across the business and processes and gaining agility through digital tools.

Return on Digital® focuses on four key priorities across all businesses: engaging digital, operating digital, managing digital and partnering digital.

## CASE STUDY

A USD 3 billion global BFSI organization with an employee strength of 8,000 employees, headquartered in the United States, implemented Zensar's Return on Digital HR platform.

### What was managed

- 1,500+ on boarding/ Exits
- 8,000+ performance appraisals
- 56,000+ documents validated and stored
- 80,000+ leave requests
- 100,000+ queries, feedback

### Business impact

- 25-40% reduction in operating expenditure for the HR support function
- 600 bps increase in employee satisfaction
- 250-400 bps improvement in employee productivity
- 33% reduction in the cycle time for HR transactions



## CASE STUDY

A Fortune 100 company that designs, manufactures and sells networking equipment and considered one of the biggest networking company in the world.

### What was managed

Requirement Gathering, Analysis, Design, Development, Testing, Migration, Support and Maintenance in a 24X7 model.

### Business impact

On-time delivery improved from 96% to 99%

Improved first pass production yields

Improved unit forecast accuracy

5th rank in the global supply chain

TDWI award for Enterprise BI

## USE CASE

A Mobile first digital solution focused in enabling proximity to the customer through the right information available anytime, anywhere.

Zensar's 'EDGE' is engaging 50,000+ employees across 15+ customer organisations.

**Organization Pulse:** Leadership voice, access to expert inputs, videos, latest trends, solutions, proposals etc.

**Online Knowledge Management:** Single-point digital reference for organization policies, product information and induction training

**Event management:** Organizing and hosting events digitally for external and internal attendees

### Business impact

45-50% increase in ease of access

10-15% increase in productivity

2-5% acceleration in sales

1-5% increase in customer satisfaction



# Living Digital

At Zensar, we established an early-mover's advantage in this exciting digital journey through a radical approach. Before we went out to evangelise capabilities in helping customers achieve enhanced business impact through digital transformation, we presented them with proof of our concept — Zensar itself.

Over the last few years, Zensar has completely transformed into a digital enterprise, marked by comprehensive digital business processes. Every single Zensarian now imbibes a digital way of doing things.

At present, Zensar has over 21+ digital business solutions deployed within the Company, with over 50 processes digitalised and a complete 100% employee adoption. These solutions are developed with a customer-centric approach and of the total, six solutions are configurable and 15 solutions are completely customisable for specialised application.

## Engaging: Driving greater engagement amongst employees

- CEO Conversation - ZenVerse
- HR Transactions - ZenHelp
- Crowdsourcing - ZenIDEA
- Company Policies - ZenPolicies
- Insights, Learning and Development - EDGE
- Women Network - ZenWEN

## Operating: For mid management to achieve greater operating efficiency

- Quality Monitor - ZenPulse
- Sales Performance - ZenSales
- Timesheet - ZenTS
- Resourcing - ZenRMG
- Operational Excellence - ZenOE

## Managing: Enabling prudent decision making through accurate reporting for senior executives

- Management Council - ZenMCM
- CMO Dashboard - ZenCMO

- CHRO Dashboard - ZenHR
- CIO Dashboard - ZenCIO

## Partnering: Driving key performance metrics of customer and partner relationship management

- CSR Activities - ZenCSR
- Contact Details - ZenContacts
- Chat Bots - Zbots Retail
- Chat Bots - Insurance Bot
- Augmented Reality - ZenAugment
- Delivery Dashboard - ZenSmartBlox

Utilising these in-house tools, Zensar enhances the customer experience through quicker transactions and deployment of intuitive recommendation engines, which serve relevant products and services even before the consumer can ask. Zensar's Crossover service comprises the ability to provide Cloud, cyber security, containerization and modernization of applications and infrastructures. Zensar's Core System complement provides a back-end system marked by systemic security, availability, stability and efficiency with Cloud orchestration.

# Innovation hub: Zenlabs

From the outset, we believed that a digital way of doing things would succeed only if there were a digital core engine that made it possible to deliver innovative tools and services. In view of this, one of the most decisive Zensar initiatives was the formalization of our innovation process – not as something that would be

the result of brilliant random thinking, but as something that would be the outcome of a structured, institutionalised approach.

This conviction resulted in the creation of Zenlabs, which represents the heart and soul of our innovation process. Zenlabs is engaged in future-facing research in Blockchain, Internet of Things, Artificial Intelligence and Natural Language Processing, among others. The effectiveness of our research is reflected in the fact that

Zensar applied for 25 patents during the year under review — the highest in any single year of the Company's existence.

Zenlabs' research areas are aligned to industry sectors such as BSFI, retail, manufacturing and generic industry sectors with technologies such as enterprise AI, IoT enterprise AI, conversational AI, blockchain and augmented reality.

Zenlabs employs 50+ IoT, Artificial Intelligence, Machine Learning, Augmented Reality and Virtual Reality experts in Pune and Hyderabad. Going



forward, Zenlabs aims to have a strong 300+ team of 15+ PhDs, product managers, programmers, statisticians, and hardware engineers. The Company also plans to have three more research centers, including one in the US, to be closer to the key client base.

**Key achievements, 2017-18**

- Walked the talk on 'living digital'. We became our first customers, deploying over 21 solutions within the Company and embraced a mobile first strategy

- Took those technologies, that we developed and fine-tuned, to our customers
- Created a brand and built a strong R&D team that focuses on innovation and recruited like-minded people
- Currently have 30+ people in Labs. Have an internship programme with IITs to gain visibility across institutions
- Presented existing solutions to customers to understand the level of preparedness they have in adopting technologies. In most cases, we saw small pilots being deployed instantly

- Hosted 30+ CxOs at Zenlabs in Pune and have engaged with conversations with 50+ CxOs globally and presenting our capabilities
- Significantly boosted our patent portfolio, filed 25+ patents in FY18. Prior to starting Zenlabs, we had filed only 5 patents
- Delivered a few Vision AI solutions in the UK market with very positive feedback from clients

# Customer engagement at Zensar

Customer engagement and partner alliances are a critical function at Zensar as we strive to drive digital transformation. Since our entire philosophy revolves around 'Return on Digital®' the focus is to create an evident impact in the client's business through our services and solutions. We enhance our partner experience by combining back-end integration with a front-end experience that is then driven by a transformation in their customer experience. Our solutions are based on years of research and development that were first deployed in-house. This demonstrates with clarity what our solutions are capable of and stands as our key differentiator.

Our core strengths are the relationships which we have forged through timely delivery experiences. Our partnership and support across the complete digital transformation journey is unparalleled, contributing to an enhanced client experience. Over the years, acquisitions have also played a major role in being enablers for us to partner various organisations to drive their digital goals.

While we provide digital solutions for large projects, they are also managed digitally. This gives customers a first-hand experience accessibility and efficiency benefits. During the year under review, Zensar helped 15 of its largest clients implement the digital

engagement platforms currently in use at our Company.

Going forward, Zensar will set more aggressive targets in terms of scale and range. The Company will also focus on investing in specific solution development and developing solutions for highly verticalised systems. The Company also plans to conduct workshops with its top 30 customers to explain how the digital geography in their respective businesses is changing and what they can do to align themselves with it. Going for larger deals is also a focus area with the aim to partner prominent businesses to increase the value of our innovations.

## USE CASE

'MCM' is a Governance Platform for leadership collaboration and communication. An ideal executive level governance and program management solution

- Managing governance meetings
- Transition Planning
- Collating, tracking and scaling strategic initiatives
- Enabling leadership collaboration in 8+ customer organizations

## Business impact

- 10-20% improvement in decision-making
- 10-15% increase in data-backed decisions
- 30-35% closure of action items
- 15-20% increase in operational efficiency



# At the heart of digital: **People at Zensar**



It is people within an organisation who create change and deliver the best. At Zensar, we firmly believe that in order to be at the forefront of innovation, the environment needs to be conducive to learning, development and growth.

## **Human Resources**

At Zensar, the goal was to create the best-in-class digital human resources support for our associates. The priorities were to have an integrated HR approach and drive engagement, build capability, enhance associate experience, strengthen talent fulfillment, make data-driven decisions and support strategic initiatives.

Zensar has the best-in-class infrastructure, enhancing associate experience through initiatives and policies such as a concierge service, day-care centers on campus, medical care on campus, referral programmes, boomerang hires, wellness calendar,

virtual workplace and flexible shifts, sabbatical and maternity leaves.

Aligned with the philosophy of living digital, the HR support function was also digitalised through a solution called ZenHelp. The need was to create a paradigm shift in the workplace and workforce, drive capabilities, drive profitability and engagement as well as take data-driven decisions.

ZenHelp enables all standard HR functions and more. The solution features pre-onboarding and onboarding, associate dialogue, empowerment, a platform to voice concerns, real-time dashboards and a one-step off boarding process.

Pre-onboarding enhances associate knowledge and perception with videos and news about the organisation and the industry. The onboarding function enables digital touch basing, personal information collection, professional information collection and an information tracker. The induction is interactive with situational questions, themes, real-time winners across locations and recognition of winners on ZenLounge. The associate dialogue provides support from the administration, finance, HR and CDAT departments, increasing transparency and credibility. Empowerment functions include the ability to update personal information directly, a communication channel with the HR, regular announcements and frequently asked questions.

Associates can voice their concerns on platform and participate in internal satisfaction surveys. Real-time dashboards with over 17 separate metrics provide insights to all associates driving transparency and a data driven approach.

Going forward, Zensar will undertake initiatives such as a technical platform upgrade, sales incentives, new joinee feedback, associate self-service tools, a global digital induction solution, a global exit solution, a global transfer solution and a buddy program to collaborate and share knowledge.

## Learning & development

Learning and Development was a key focus area for Zensar since the beginning of the year under review. The goal was to transform skill development and learning in order to align with the change in domain and technology improvements. Zensar created a completely new learning management system with competency frameworks built-in and rolled out L&D programmes across the organisation. These programmes aimed to enable skilling and cross-skilling of all our employees to drive competency in a dynamic industry.

The gamut was extensive: executive education programs, leadership development programs, E-learning/instructor led courses, employability skill development, competency building, campus to corporate, lateral induction programs and a digital academy. Zensar partnered with prestigious institutions such as Harvard, Udemy, eCornell, SAP SuccessFactors, Pluralsight, Skillsoft and CEB, among others.

Over 81% of the senior leadership has undergone a structured development intervention and over 75% of leadership hiring is internal, demonstrating the efficiency of the program. The digital academy offers a range of skilling interventions - the awareness

level, basic level, intermediate level, advanced level and expert level. Participation is made mandatory for all employees to ensure constant learning.

The impact is evidently visible. Associates possess a greater understanding and knowledge of technologies. This not only translates into better solutions, but also indirectly impacts sales as associates have a clearer picture while creating sales requisition plans. Associates are aware of the criticality of learning and development as technologies keep evolving and what was cutting-edge three months ago might not stay relevant in the present. In effect, learning has become a culture at Zensar, with the most impressive achievement being the deployment and 100% adoption within three years. The key differentiator that enabled this has been accessibility.



# Community Engagement

## Our Vision

To foster happiness and well-being of people and communities, enabling them to realize their full potential

## Our Mission

To build empowered communities and foster the agency of individuals to lead and enable social transformation



### Our various programs

- Community transformation
- Gender Equity
- Community mobilisation (SALT approach)
- Economic development program
- Access to safe space
- 'Udaan' English proficiency program
- School transformation program
- 'Pehle Akshar' teacher training program

### Digital literacy

- 3 mobile digital literacy buses in partnership with Pune Municipal Corporation
- 2 physical centers to be set up in Hyderabad and Bangalore

### Employability enhancement

- Swayam - 2-wheeler driving program for women
- Sanjeevani - bedside nursing course
- Vocational training - beautician, tailoring and electronics repairing

- Employee Skill Development (ESD) program

### Environment sustenance

- Biodiversity Park
- Udaan farming club (group of citizens in Viman Nagar)

At Zensar, we believe in driving socio-economic transformation through individual and community agencies.



Our CSR interventions focus on areas such as community transformations, digital literacy, employability enhancement and environment sustenance. Zensar's volunteering strategy follows a step-ladder approach wherein volunteering is tracked and each associate contributes differently, depending on which step the associate is on. Over 20% Zensarians volunteer for the CSR program, with 17.5% being unique volunteers. Zensar's CSR initiatives are directly impacting 15,000+ people and improving their lives.

Our community development model is based on four major pillars. Firstly, broad initiatives are undertaken across literacy, skilling and engagement. Next, the agency driving the project focuses on creating an impact that reaches the tipping point for change, enabling the power of individuals. Next, the community begins to keep the momentum of change going by embarking on its own growth trajectory. The socio-economic impact of this creates a wealth of change: gender equality, better education, better health, better employment and better income.

## CASE STUDIES

### Creating change through community action

75% of the community joined hands to form 'Kruti Dal' to enhance the standard of sanitation, drainage and electricity. The task force submitted an application to the local corporator highlighting these issues and demanding change. Over three years a transformation occurred. Nine toilet blocks were constructed, hand pumps were installed and an electricity pole erected. A proper drainage system was created and for the first time water connections to individual houses were established.

### The Kasbe family

Through various initiatives, Zensar launched and improved the lives of each member of the Kasbe family. Now they have changed mindsets and engage in various initiatives to help others.

**Mother Sujatatai:** Member of the self-help group task force, who helps women suffering from domestic violence with her peers

**Father Kailas:** An active volunteer in reduction of alcoholism

**Son Amol:** Part of the Gender Equality Program

**Son Akshay:** Improved confidence and learning abilities due to Udaan

# BOARD'S

REPORT & ANNEXURES 2017-18



# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present their 55th Annual Report together with the Audited Financial Statements, Directors Report and Annexures for the year ended 31st March 2018.

## FINANCIAL SUMMARY:

The Financial summary is as under:

### Standalone (INR Lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Income from operations	1,28,581	1,27,239
Miscellaneous Income	6,275	2,172
Total	1,34,856	1,29,411
Profit Before Taxation	25,678	25,299
Profit After Taxation	19,258	18,022
Proposed Dividend	3,149	3,141
Transfer to General Reserves	10,000	10,000

### Consolidated (INR Lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Income from operations	3,10,774	3,05,559
Miscellaneous Income	7,439	2,406
Total	3,18,213	3,07,965
Profit Before Taxation	35,157	34,862
Profit After Taxation	24,649	23,837

In the preparation of financial statements, no treatment different from that prescribed in Indian Accounting Standards (Ind AS) has been followed.

On standalone basis, during the FY 2017-18, the Company recorded total income of INR 1,34,856 Lakhs comprising Income from Software Development and Allied Services of INR 1,28,581 Lakhs, and other income of INR 6,275 Lakhs. The Company recorded a net profit of INR 19,258 Lakhs reflecting an increase of 6.9% as compared to previous year.

On consolidated basis, the Company has maintained growth with Total income of INR 3,18,213 Lakhs comprising Income from Software Development and Allied Services of INR 3,10,774 Lakhs and other income of INR 7,439 Lakhs. The Consolidated Net profit was INR 24,649 Lakhs reflecting increase of 3.4% as compared to previous year.

There are no Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the FY on 31st March 2018 to which the financial statements relate and the date of the report.

## BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS

It has been two years since the Company embarked on attaining an ambitious goal of being a digital entity. We are proudly a 100% digital Company today and are confident of enabling the customers walk the same path. This feat has been achieved with single-minded effort and focus to continue exploring the various ways in which Company can bring a quantifiable business outcome to itself first and then its customers. The Company has been successful in helping customers understand the benefits of this outlier way of thinking by showing them clear

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business outcomes or enjoy the Return on Digital® ecosystem.

The Company has also shown remarkable growth in the retail front with approximately 29% of its business coming from this sector. It is well poised to take on the opportunities available due to the advancement in the adoption of digital technologies, with the digitally re-skilled team, strong sales leadership and streamlined operations network.

The year gone by, also saw the Company successfully partner with customer(s) on their automation journey with live bots helping streamline operations of few key brands across the UK and South Africa. The Company managed to create new in-roads into blockchain implementations as well as new work has been done in the space of Machine Learning and Artificial Intelligence. This exercise has helped the Company, become better advisors and consultants to the customers.

As of FY2017-18, Company's digital portfolio with year ended revenues reported at about 38%, a growth of about 2.9% over the previous year's revenues of USD 156.6 million. The profit after tax was at USD 43.6 million, marking 3.4% increase over the previous year's PAT at USD 42.2 Million.

The digital strategy strengthened due to acquisitions of Foolproof, the design agency from UK and Keystone Logic, the digital supply chain company. While they came into the Zensar fold in FY2016-17, the contribution to the business was realized in the fiscal year under review. This year Company added strength to the digital insurance strategy by acquisition of Cynosure Inc., a leading Guidewire PartnerConnect Consulting Partner in the Property and Casualty Insurance category. It brings successful implementations, provides core system modernization with rich customer relationships that will add significant value to Company's offerings. The Insurance sector forms one of the focus areas and this acquisition is a strategic fit in the overall business blueprint.

### Regions:

The US, which is Company's largest market, saw addition of new customers as well extension of existing customer relationships. The large-deals team, formed last year, were at the forefront of some well contested deals. The Management could drive sales more sharply, with clear focus on resolving customer centric challenges. The UK region performed consistently well with some new logos across banking and financial services and retail been added. The team displayed a clear understanding of customer needs, and built excellent relationships with decision makers. South Africa has been on a steady path, with new business been added, and the Company continued commitment to the local community development.

FY2017-18 has been a year wherein a lot of what was started two years ago came together. The Management brought in new things to the Company, some for the first time and worked towards creating a more engaged workplace. Transparency, clarity of purpose and a keen sense of where Company wishes to go, were the driving factors. The mindset revolved around how Company could be better at what it does for customers, employees, partners, community and investors. Digital is the new galaxy of opportunities and the Company is all set to write more stories together as a more committed, stronger, innovative and united entity.

The Management Discussion and Analysis report which forms part of this Annual report, further elaborates on Company performance and related aspects.

### EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure A".

### NUMBER OF MEETINGS OF THE BOARD

During the year under review, 5 (Five) meetings of the Board of Directors were held, details of which are set out in the Corporate Governance Report which forms part of this Report.

### BOARD COMMITTEES

Detailed composition of the Board committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Banking Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms part of this Report.

There have been no instances where the Board has not accepted any recommendation of the Audit Committee.

### DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

The Directors confirm that –

- a) in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed and there were no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at 31st March 2018 and of the profit and loss of the Company for that period;

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- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent in terms of the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 as on 31st March, 2018:

1. Mr. A. T. Vaswani
2. Mr. Venkatesh Kasturirangan
3. Mr. Sudip Nandy
4. Mr. Ketan Dalal
5. Mr. Ben Druskin
6. Ms. Tanuja Randery
7. Mr. Harsh Mariwala

### PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS AND DISCLOSURES ON THE REMUNERATION OF THE DIRECTORS

All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company, containing requisite information for such payments and disclosures on the remuneration of the Directors along with their shareholding are disclosed in Corporate Governance Report and Form MGT 9 which forms part of this Report.

A proposal to enhance remuneration of the non-executive director, forms part of the Notice convening ensuing AGM. The Board recommends the same for approval of the Members of the Company.

### NOMINATION & REMUNERATION POLICY

The Company's policy on Directors' appointment and remuneration, containing requisite information for determining qualifications, positive attributes,

independence of a Director and other matters provided under Section 178 (3) is enclosed with this Report as Annexure B.

### EXPLANATION AND COMMENTS ON AUDITOR'S AND SECRETARIAL AUDIT REPORT

There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

Further, there is no qualification, disclaimer, reservation or adverse remark made by the Company Secretary in practice in Secretarial Audit Report except as below:

"The Company has not appointed woman Director for the period from 03rd October, 2017 to 17th January, 2018 as required under the provisions of Section 149 of the Act read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014."

In this behalf, your Directors state that, Company had appointed Ms. Madhabi Puri Buch as Independent Director effective April 1, 2015. However, on her appointment as member of Securities and Exchange Board of India (SEBI), she resigned as a Director of the Company with effect from April 3, 2017. It took the Company some time to find a suitable replacement. Accordingly, with effect from 18th January 2018, Ms. Tanuja Randery was appointed as an additional as well as Independent Director on the Board.

### SECRETARIAL STANDARDS

The Company complies with all the applicable Secretarial Standards.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of the guarantees given are mentioned in the Note No. 6 (d) and 35 of Notes to Accounts pursuant to Section 186 (4) read with Companies (Meetings of Board and its Powers) Rules, 2014. The purpose for granting the loan was to meet the gap in working capital.

The particulars of investments made are stated in Note No. 6 (a) in the Notes to Accounts.

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee. Requisite approval of the Audit Committee is obtained on periodic basis for the transactions which are repetitive in nature or otherwise. The actual transactions entered into pursuant to the approval so granted are placed at quarterly meetings of the Audit Committee.

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The Company has formulated a Policy on related party transactions. This policy as approved by the Board is uploaded on the Company's website on the below link:

<https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Policy%20on%20Related%20Party%20Transactions.pdf>

### TRANSFER TO RESERVE

Your Directors propose to transfer a sum of INR 10,000 Lakhs to General Reserve.

### DIVIDEND

Your Company had reported satisfactory profit levels in the first three quarters of the current financial year. Continuing with the Company's tradition of rewarding the Members, Interim dividend of INR 5/- per share aggregating to about INR 2,249 Lakhs was paid in the month of February, 2018.

Further, the Board recommends a final dividend of INR 7/- per equity share of face value of INR 10/- each (70%) on the paid-up equity share capital of the Company for the year under review. The pay-out will amount to about INR 3,149 Lakhs excluding dividend distribution tax.

The Company has adopted a Dividend Distribution policy during the year under review and the same is enclosed to this report as Annexure L.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on 31st March, 2018 to which the financial statements relate and the date of this report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions relating to disclosure of details regarding energy consumption, both total and per unit of production are not applicable as the Company is engaged in the services sector and provides IT and IT related services.

Particulars prescribed under Section 134 (3)(m) of The Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 in respect of technology absorption are set out in "Annexure C" to this report.

Given the global nature of the business of the Company, exports always from its trust. Total foreign exchange earnings during the year has been INR 121,736 Lakhs (previous year INR 117,233 Lakhs) and foreign exchange outgo has been INR 11,588 (previous year INR 5,546 Lakhs)

Particulars regarding R & D expenditure during the year are given in Note No. 5 of Notes to Accounts.

### RISK MANAGEMENT

A detailed report on Risk Management is included in Management Discussion and Analysis which forms part of this Report. The report clearly states development and implementation of a risk management policy for the Company including identification therein of elements of risks along with risk mitigation plan.

### CORPORATE SOCIAL RESPONSIBILITY

The Company believes in the Triple Bottomline (3P) approach that is, ensuring a sustained and holistic approach to People, Planet and Profit. In fact, commitment to People and Communities is one of the three core values, and the spirit of Corporate Social Responsibility runs across the organization whether it be through the commitment and involvement of senior leadership, exceptional volunteering practices or the extensive exposure to CSR at the time of induction of new recruits. Primarily, CSR activities at the Company are undertaken through RPG Foundation, which in turn is committed to undertaking CSR activities across all group companies of RPG. The Company is proud to say that over 17% of associates volunteer their time and energy, aligning with the CSR programs.

A few of the highlights in the areas of Community Development, Digital Literacy, Employability Enhancement and Environment sustenance are:

- *Community Development:* This year saw the emergence of city-level interventions. More than 19,000 people have been checked across Pune, Hyderabad and Bangalore under Netranjali - a free eye check-up program that not only checks eyesight and provides free spectacles to people in communities but also educates them about the do's and don'ts that should be followed to prevent eye diseases and disorders. 96 women across Pune and 48 across Bangalore benefited from "Swayam" - a two-wheeler driving course for women. A bedside nursing program called "Sanjeevani" and an Entrepreneurship program were also introduced in Pune to increase employment opportunities for women and youth. Under Sanjeevani, 87 people benefited and 28 have been placed till date in hospitals and in critical care centers in Kharadi. 13 people have successfully started their businesses through the entrepreneurship program. In addition, livelihood generation programs in the areas of Fashion Designing, AC, Refrigerator and mobile repairing, Beautician etc. were undertaken for the benefit of underprivileged communities in Pune & Hyderabad.

Under the Economic Development program, about

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146 households were surveyed in Pune resulting in an increase in awareness about various government and private schemes and benefits. Communities are now able to analyze their income and expenditure and have increased their savings after availing different schemes. Three knowledge spaces of library, science lab and IT lab have been replicated at the Kharadi school in Pune. Events and activities such as Aksharotsav and science-fairs were organized in schools in Pune to promote reading and encourage practical learning through experiments and projects. The Udaan English proficiency program was launched at the Gachibowli school in Hyderabad, benefiting about 600 children.

- **National Digital Literacy Mission (NDLM) centers and buses:** In the FY 2017-18, the digital literacy program run by CSR at the Company, continues to be a leader amongst corporates in working towards the National Digital Literacy Mission wherein at least one person from every household in India, should be digitally literate by the year 2020. The Company has 3 mobile buses and has reached out to about 1,331 households in Pune of which about 1,366 people have become digitally literate. The Company continues in its efforts to spread digital literacy amongst the underprivileged and spearhead this mission. The digitally literate candidates are benefiting after demonetization, as they are familiar with the electronic options available to them. Online banking has become easier and is used more often. The internet is used to learn new skills and information which in turn helps them with their business, education and growth.
- **The Employability Skills Development program** has grown further during the FY 2017-18. Under this program more than 1700 students from Tier-2 and Tier-3 engineering colleges received more than 210 hours of employability related free trainings in technical, digital and business communication skills. These trainings were conducted by corporate trainers as per the need of industry. After completion of the training, around 64% of students received job offers from various tier-1 and tier-2 companies.
- **Environment Sustenance:** The 2-acre Biodiversity Park which was developed by Zensar Foundation in September 2012 in partnership with the PMC, is maintained actively. The park continues to attract an average of 300 visitors daily. More than 12 Biodiversity and Sustainability sessions were conducted through the year, to create focused outreach for the Park. As a continued effort, The Company carried out an Annual Winter Biodiversity Assessment of the Park. A total of about 221 floral

and 48 faunal species were recorded in the Park. Introduction of more native species of plants was a focus this year, and community participation was welcomed for the same. Udaan Farming Club, a network of green warriors works on the community patch, learn to grow organic food and at the same time learn about various indigenous methods of natural farming too.

Currently, 4 water huts are being installed in 4 Government schools to provide clean drinking water to children in Hyderabad. In addition to this, there are more than 1,100 Zensarians across Pune, Hyderabad and Bangalore who volunteer and participate in activities and events across all interventions. They have carried out Tree Plantation activities in June and July - planting more than 50 species in Ayurvedic College, Wagholi. Apart from this, regular clean-up drives aligning with the national movement of Swachh Bharat have also been conducted. Storytelling and extra-curricular activities are conducted with children at both schools and community development centers in Pune. Sessions on Sustainable Menstruation and Hygiene, Talks on World Environment Day, Climate Change workshops were held in Bangalore, Hyderabad, and Pune to spread awareness on the importance of Environment Conservation and Practice.

These are just a few of the activities undertaken in the year 2017-18. Through working in missions such as NDLM and Swachh Bharat and programs such as those of NSDM (National Skills Development Mission), CSR continues to align itself with local, state and national government policies. We look forward to further expansion in the coming years in terms of outreach as well as impact.

The Company had to spend INR 504.47 Lakhs during the year 2017-18 on CSR activities. As on 31st March, 2018 Company has spent INR 498.11 Lakhs. During the year, it was proposed to conduct employability skills related trainings for around 142 batches of students. However due to unavailability of training rooms / labs at colleges, coupled with unavailability of students due to exams / annual programs, trainings of around 5 batches had to be rescheduled from Q4-FY2017-18 to Q1-FY2018-19. This inadvertent rescheduling resulted into minor shortfall of about INR 6.36 Lakhs during FY2017-18. As against the CSR obligation of INR 504.47 Lakhs.

The Company is evaluating appropriate additional programs and projects to scale up in the chosen areas of CSR spends during the year 2018-19 and shall strive to complete its entire CSR obligation going forward.

A detailed report on CSR activities is attached to this report here as Annexure D.

## BOARD'S REPORT Contd.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, following changes have occurred in the Board of Directors as well as Key Managerial Personnel:

**1. During the financial year under review, following changes occurred in the Board of Directors of the Company:**

Sr. No.	Name of the Director	Nature of Change	Date	Category
1	Ms. Madhabi Puri Buch	Ceased due to resignation	03-Apr-17	Independent Director
2	Mr. Ketan Dalal*	Appointment	03-Nov-17	Additional as well as Independent Director
3	Mr. Ben Druskin*	Appointment	03-Nov-17	Additional as well as Independent Director
4	Ms. Tanuja Randery*	Appointment	18-Jan-18	Additional as well as Independent Director
5	Mr. Harsh Mariwala*	Appointment	18-Jan-18	Additional as well as Independent Director

\*Approval of the Members is sought for appointment of these director(s) as non executive independent Directors not liable to retire by rotation. Requisite proposals for the same form part of the notice convening 55th AGM. The Board recommends said resolution(s) for the approval of the Members of the Company.

**2. During the financial year under review, following changes occurred in the Key Managerial Personnel of the Company:**

Sr. No.	Name of the Director	Nature of Change	Date	Category
1	Mr. Manoj Jaiswal	Ceased due to resignation	04-Dec-17	Chief Financial Officer
2	Mr. Navneet Khandelwal	Appointment	18-Jan-18	Chief Financial Officer
3	Mr. Nilesh Limaye	Ceased due to retirement	31-Jan-18	Company Secretary
4	Mr. Gaurav Tongia	Appointment	01-Feb-18	Company Secretary

### SUBSIDIARY COMPANIES

The Company along with subsidiaries provides digital solutions and technology services globally.

The performance and financial position of the subsidiary companies included in the consolidated financial statement is provided in accordance with the provisions, *inter-alia*, of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 as a separate statement annexed to the Notes on Accounts containing the salient features of the financial statement of Company's subsidiaries in Form AOC - 1.

During the financial year under review, the Company incorporated three Wholly Owned Subsidiaries in India viz. Zensar Information Technologies Limited, Zensar Software Technologies Limited and Zensar IT Services

Limited. Further, Wholly Owned Subsidiary Company of the Company, viz. Zensar Technologies (Singapore) Pte. Ltd. in Singapore incorporated, Wholly Owned Subsidiary viz. Zensar Info Technologies (Singapore) Pte. Ltd. in Singapore.

The Board of Directors at its meeting held on 14th March 2018, approved transfer of business in certain geographies to Zensar Information Technologies Limited and Zensar Software Technologies Limited, by way of slump sale.

Further, in its meeting held on 14th March 2018, the Board of Directors of Wholly Owned Subsidiary Company of the Company, viz. Zensar Technologies (Singapore) Pte. Ltd. in Singapore approved transfer of its business to Wholly Owned Subsidiary viz. Zensar Info Technologies (Singapore) Pte. Ltd in Singapore by way of

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slump sale. The relevant disclosures in this behalf were filed with the Stock Exchanges.

On 21st March 2018, the Company had entered into definitive agreement for acquisition of Cynosure Interface Services India Pvt. Ltd. An agreement to acquire Cynosure Inc., USA was entered into by Zensar Technologies Inc. USA a wholly owned subsidiary of the Company, on the same day.

Further, the Company has framed policy for determining material subsidiaries as per requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has uploaded the same on website and link for the same is as below:

<https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Policy%20on%20Material%20Subsidiaries.pdf>

Stand-alone Financial Statements and Consolidated Financial Statements of your Company along with its subsidiaries, prepared in accordance with the relevant Accounting Standards issued by The Institute of Chartered Accountants of India, forms a part of this Annual Report.

Mr. Sandeep Kishore, Chief Executive Officer and Managing Director has not received any directors' commission during the year from the Company nor any of its subsidiary companies.

### DEPOSITS

The Company has not accepted Deposits under Chapter V of the Companies Act, 2013.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### CHANGE IN THE NATURE OF THE BUSINESS

During the year under review, there was no change in the nature of the business.

### INTERNAL FINANCIAL CONTROL

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

## INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL REMUNERATION) RULES, 2014

1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company excluding Managing Director for the financial year.	Please refer Annexure E- 1 to this Report for details.
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Please refer Annexure E- 2 to this Report or details
3	The percentage increase in the median remuneration of employees.	The percentage increase in the median remuneration in the financial year 2017-18 of employees on India Payroll was 7.1% *
4	The number of permanent employees on the rolls of Company.	6,716
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase made in the salaries of the employees other than the managerial personnel in the last financial year is 6.9% for India based employees. Considering 0% increment employees, average percentile increase is 47.5th percentile.
6	The key parameters for any variable component of remuneration availed by the Directors.	The variable component of remuneration availed by the Directors is based on Profit After Tax reported by the Company at the end of each financial year and recommendation of Nomination and Remuneration Committee.
7	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration to employees of the Company is as per the remuneration policy of the Company.

\* The percentage increase in the median remuneration of employees has been calculated after excluding Managing Director's remuneration.

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### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to report genuine concerns. The Policy provides for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Governance and Ethics. The policy is uploaded on the website of the Company:

[https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Model\\_Whistle\\_blower\\_policy.pdf](https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Model_Whistle_blower_policy.pdf)

### INTER - SE RELATIONSHIPS BETWEEN THE DIRECTORS

There are no relationships between the Directors *inter-se*.

### FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has Familiarization programme and the details have been uploaded on the website of the Company:

<https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/FAMILIARISATION%20PROGRAMMES%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

### FORMAL ANNUAL EVALUATION OF BOARD AND ITS COMMITTEES

Pursuant to provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee laid down criteria for evaluating Board effectiveness by assessing performance of the Board as a whole, performance of individual Director and Committees of the Board namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Banking Committee and Corporate Social Responsibility Committee. The Board approved the criteria laid down by Nomination and Remuneration Committee for evaluating Board effectiveness and engaged a third-party agency to conduct Board effectiveness survey during the year under review. The Survey finding were then considered while conducting the requisite evaluation under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report is given as a separate section in this Annual Report and is annexed to this Report as "Annexure F".

### AUDITORS

#### Statutory Auditor:

Pursuant to the provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins and Sells LLP (Firm Registration No. 117366W/W-100018) has been appointed as the Statutory Auditors of the Company to conduct the audit of the financial statement of the Company from FY 2017-18 till FY 2021-22.

The Members are requested to ratify their appointment as Statutory Auditors, pursuant to the provisions of the Companies Act, 2013 in the ensuing Annual General Meeting for the FY 2018-19.

#### Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s SVD & Associates, a firm of Company Secretaries in Practice (Firm Registration No. P2013MH031900) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR - 3 is annexed herewith as "Annexure G".

The Board has re-appointed M/s SVD & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the FY 2018-19.

#### Internal Auditors

The Board had appointed Ernst and Young LLP, as Internal Auditors for the FY 2017-18 under Section 138 of the Companies Act, 2013 and they have completed the internal audit as per scope given by the Audit Committee for the FY 2017-18.

The Board has reappointed Ernst & Young LLP as Internal Auditors for the FY 2018-19.

### CORPORATE GOVERNANCE

The Company continues to benchmark itself with the best-of-the-class practices as far as corporate governance standards are concerned. The Company has complied with the requirements provided in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance report on the various requirements under the said clause along with the practicing Company Secretary's certification thereof is provided in the corporate governance section of this report at "Annexure H".

### EMPLOYEES STOCK OPTION PLAN

Currently, the Company has three Employees Stock Option Schemes in force namely, "2002 Employees Stock Option Scheme" (2002 ESOS), "2006 Employees

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Stock Option Scheme" (2006 ESOS) and Employee Performance Award Unit Plan, 2016 (2016 EPAP) for granting term based and performance based Stock Options to employees and these schemes are being implemented as per regulation laid down.

During the year, the Performance Award Units (PAUs) were granted to the employees. There were no options granted under any other scheme.

In the financial year 2017-18, 10,550 equity shares were allotted under 2002 ESOS and 1,05,900 equity shares were allotted under 2006 ESOS. No equity shares were allotted under 2016 EPAP. The Disclosures in compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in this respect are stated in "Annexure I" to this report.

Disclosures for the financial year ended 31st March, 2018 regarding 2002 ESOS, 2006 ESOS and 2016 EPAP in terms of Companies (Share Capital and Debentures) Rules, 2014 are as below:

Particulars	2002 ESOS	2006 ESOS	2016 EPAP
Options granted	NIL	NIL	70,000
Options vested	NIL	62,396	NIL
Options exercised	10,550	1,05,900	NIL
The total no of shares arising as a result of exercise of option	10,550	1,05,900	NIL
Options lapsed/cancelled during the year	12,258	387,998	18,313
The exercise price	Exercise Price for each grant is different and decided by the Nomination and Remuneration Committee as per the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 prevailing at the time of grant.	Exercise Price for each grant is different and decided by the Nomination and Remuneration Committee as per the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 prevailing at the time of grant.	INR 10/-
Variation of terms of options	No variation in the terms of options during the year under review		
Money realized by exercise of options	INR 8,91,900	INR 2,47,81,234	NIL
Total no. of options in force	21,142	2,94,780	3,05,505
Employee wise details of options granted to:			
Key Managerial Personnel (KMP)	No new options were granted to KMPs during the year under review		25,000 PAUs were granted to Mr. Sandeep Kishore, CEO & MD.
Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	NIL	NIL	Venky Ramanan - 10,000 PAUs, Sandeep Kishore - 25,000 PAUs Durai Velan - 20,000 PAUs Harjott Atrii - 15,000 PAUs
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Dr. Ganesh Natrajan - 5,00,000 Options All of these options have been exercised	NIL	NIL

## BOARD'S REPORT Contd.

### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of employees pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed with this report as "Annexure J".

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy, *inter-alia*, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints. The following is the summary of complaints received and disposed off during the year under review:

Number of complaints received and disposed off	1
--	---

### MATERIAL TRANSACTIONS WITH RELATED PARTIES

The Company has not entered in to any material transaction with related parties during the year under review which requires reporting in Form AOC 2 in terms of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. However, the requisite disclosures under the IND AS form part of the Notes to Accounts in this report.

### BUSINESS RESPONSIBILITY REPORT

Company has made out a Business Responsibility Report under Regulation 34 (2) (f) of the SEBI (LODR) Regulations, 2015 requires which forms a part of this Board's Report and annexed herewith as Annexure K.

### ACKNOWLEDGEMENTS

The Board places on record its appreciation of the contribution of Associates at all levels, customers, business and technology partners, vendors, investors, Government Authorities and all other stakeholders towards the performance of the Company during the year under review.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (the Rules), all unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the DEMAT account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends and the corresponding shares as the said IEPF rules. The details of the same are available on the website of the Company, [www.zensar.com](http://www.zensar.com).

### SUB-DIVISION OF EQUITY SHARES

The Board of Directors of the Company, at its meeting held on 24th April, 2018, recommended sub-division of Equity Shares of INR 10/- each, into five Equity Shares of INR 2/- each and modifications in the consequential matters, subject to approval of the Members and such other authorities, as may be necessary. It was also proposed to amend the existing Employees Stock Option and Employee Performance Award Unit Plan(s). Requisite proposals for the same, form part of the Notice convening 55th AGM. The Board commends the said resolution(s) for approval of the members of the Company.

For and on behalf of the Board

Place: Mumbai  
Dated: 24th April, 2018

Sd/-  
**H. V. Goenka**  
Chairman

# Annexure A to the Board's Report

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L72200PN1963PLC012621
ii)	Registration date	29.03.1963
iii)	Name of the Company	Zensar Technologies Limited
iv)	Category/Sub category of the Company	Company Limited by Shares Indian Non-Government Company
v)	Address of the Registered office and contact details	Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road Pune - 411014 Tel. No. 020 6605 7500 Fax No. 020 6605 7888 Email Address: investor@zensar.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri - East, Mumbai - 400059 Maharashtra India Tel. No. 022-62638200/222/223 Fax No. 022-62638299 Email ID: investor@bigshareonline.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Software Development and allied services	620	96.89%

## Annexure A to the Board's Report Contd.

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Entity	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Zensar Technologies Inc., USA				
2	Professional Access Limited, USA				
3	PSI Holding Group Inc., USA				
4	Zensar Technologies IM Inc., USA (erstwhile Akibia Inc.)				
5	Zensar Technologies IM B.V., Netherlands(erstwhile Akibia B. V.)				
6	Aquila Technology Corp., USA				
7	Zensar Technologies (Shanghai) Co. Ltd, China	Not Applicable			
8	Zensar Info Technologies (Singapore) Pte. Ltd., Singapore				
9	Zensar Technologies (Singapore) Pte. Ltd, Singapore				
10	Zensar Technologies (UK) Ltd, UK		Subsidiary	100%	2(87)(ii)
11	Foolproof Ltd. UK				
12	Knit Ltd. UK				
13	Foolproof (SG) Pte. Ltd, Singapore.				
14	Keystone Logic Inc., USA				
15	Zensar Information Technologies Ltd., India	U72900PN2017PLC172418			
16	Zensar Software Technologies Ltd., India	U72900PN2017PLC172415			
17	Zensar IT Services Ltd., India	U72900PN2018PLC174305			
18	Zensar (Africa) Holdings (Pty) Ltd, South Africa	Not Applicable			
19	Zensar (South Africa) (Pty) Ltd, South Africa			75%	

**Note:**

- During the year under review, Flow Interactive Ltd. UK, a subsidiary of the Company was liquidated effective from 7th November, 2017;
- The Company entered in to definitive agreement on 21st March, 2018, for acquisition of Cynosure Interface Services India Pvt. Ltd. An agreement to acquire Cynosure Inc., USA was entered into by Zensar Technologies Inc. USA a wholly owned subsidiary of the Company, on the same day. The closing conditions were met in the month of April, 2018. Therefore, Cynosure group entities have not been considered as subsidiaries for consolidation of accounts of the Company as on 31st March, 2018.

# Annexure A to the Board's Report Contd.

## IV) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding as of March 31, 2018

Category of Shareholders	No. of shares at the beginning of the year			No. of shares at the end of the year			% change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,45,846	-	2,45,846	0.55	29,625	-	29,625	0.07	-0.48
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,15,82,750	-	2,15,82,750	48.10	2,19,62,210	-	2,19,62,210	48.82	0.72
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	377	-	377	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>2,18,28,596</b>	<b>-</b>	<b>2,18,28,596</b>	<b>48.65</b>	<b>2,19,92,212</b>	<b>-</b>	<b>2,19,92,212</b>	<b>48.88</b>	<b>0.23</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Others - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	0.00
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>2,18,28,596</b>	<b>-</b>	<b>2,18,28,596</b>	<b>48.42</b>	<b>2,19,92,212</b>	<b>-</b>	<b>2,19,92,212</b>	<b>48.88</b>	<b>0.23</b>
<b>Category of Shareholders</b>	<b>No. of shares at the beginning of the year</b>			<b>No. of shares at the end of the year</b>			<b>% change during the year</b>		
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>		<b>Total</b>	<b>% of Total Shares</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	7,96,293	750	7,97,043	1.77	8,28,566	700	8,29,266	1.84	0.08
b) Banks/ FI	7,868	1,166	9,034	0.02	4,805	1,014	5,819	0.01	-0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,000	500	1,500	0.003	1,000	500	1,500	0.003	0.00
g) FIs	49,90,242	1,350	49,91,592	11.12	41,52,022	950	41,52,972	9.23	-1.89
h) Foreign Portfolio Investor	11,96,017	-	11,96,017	2.67	28,62,652	-	28,62,652	6.36	3.70
i) Alternate Investment Fund	2,32,226	-	2,32,226	0.52	2,81,683	-	2,81,683	0.63	0.11
j) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
k) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	<b>72,23,646</b>	<b>3,766</b>	<b>72,27,412</b>	<b>16.11</b>	<b>81,30,728</b>	<b>3,164</b>	<b>81,33,892</b>	<b>18.08</b>	<b>1.97</b>

## Annexure A to the Board's Report Contd.

### IV) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding as of March 31, 2018

Category of Shareholders	No. of shares at the beginning of the year			No. of shares at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>2. Central / State government(s)</b>							
a) Central Government/ State Government(s)/President of India	-	-	-	1,39,457	-	1,39,457	0.31
<b>Sub -total (B)(2):-</b>	-	-	-	1,39,457	-	1,39,457	0.31
<b>3. Non-Institutions</b>							
a)							
i) Bodies Corporate	6,27,754	11,942	6,39,696	5,91,478	10,687	6,02,165	1.34
ii) Corporate Bodies - NBFC #	3,205	-	3,205	2,500	-	2,500	0.01
iii) Clearing Members	26,911	-	26,911	31,114	-	31,114	0.07
iv) Foreign Portfolio Investor (Category - III)	-	-	-	60	-	60	0.07
iv) Unclaimed Suspense Account	74,130	-	74,130	24,804	-	24,804	0.06
<b>b) Individuals</b>							
i) Individual Shareholders holding nominal share Capital upto INR 2 lakhs	27,88,430	5,90,059	33,78,489	28,47,675	4,81,737	33,29,412	7.40
ii) Individual shareholders holding nominal share Capital in excess of INR 2 lakhs	11,34,726	36,000	11,70,726	1,77,125	2,000	1,79,125	0.40
<b>c) Others (specify)</b>							
(c-i) Overseas Corporate Bodies	1,03,01,294	-	1,03,01,294	1,03,01,294	-	1,03,01,294	22.90
(c-ii) Non Resident Individuals	2,08,605	1,858	2,10,463	2,18,540	1,308	2,19,848	0.49
(c-iii) Trusts	12,716	-	12,716	34,205	-	34,205	0.08
<b>Sub -total (B) (3):-</b>	<b>1,54,20,419</b>	<b>6,03,859</b>	<b>1,60,24,278</b>	<b>14,228,795</b>	<b>4,95,732</b>	<b>1,47,24,527</b>	<b>32.80</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>2,24,01,417</b>	<b>6,43,625</b>	<b>2,30,45,042</b>	<b>2,24,98,980</b>	<b>4,98,896</b>	<b>2,29,97,876</b>	<b>50.88</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,42,30,013</b>	<b>6,43,625</b>	<b>4,48,73,638</b>	<b>4,44,91,192</b>	<b>4,98,896</b>	<b>4,49,90,088</b>	<b>99.76</b>

## Annexure A to the Board's Report Contd.

### ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April 2017)			Shareholding at the end of the year (As on 31st March 2018)			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Swallow Associates LLP	1,21,10,188	26.92	-	1,21,10,188	26.92	-	0.0
2	Summit Securities Limited	49,17,698	10.96	-	49,36,107	10.97	-	0.01
3	Instant Holdings Limited	33,93,440	7.56	-	37,37,826	8.31	-	0.75
4	Sofreal Mercantrade Pvt. Ltd.	11,15,723	2.49	-	11,32,388	2.52	-	0.03
5	Chattarpati Investments Limited	45,700	0.10	-	45,700	0.10	-	0.00
6	Sudarshan Electronics and TV Ltd.	1	0.00	-	1	0.00	-	0.00
7	Crystal India Tech Trust through Trustee, Mr. H. V. Goenka	2,16,216	0.48	-	372	0.00	-	-0.48
8	Nucleus Life Trust through Trustee, Mr. H. V. Goenka	1	0.00	-	1	0.00	-	0.00
9	Stellar Energy Trust through Trustee, Mr. H. V. Goenka	1	0.00	-	1	0.00	-	0.00
10	Mr. Harsh Monitor Portfolio Trust through Trustee, Mr. H. V. Goenka	1	0.00	-	1	0.00	-	0.00
11	Secura India Trust through Trustee, Mr. H. V. Goenka	1	0.00	-	1	0.00	-	0.00
12	Prism Estates Trust through Trustee, Mr. H. V. Goenka	1	0.00	-	1	0.00	-	0.00
13	Mr. H. V. Goenka	29,625	0.07	-	29,625	0.07	-	0.00
	<b>Total</b>	<b>2,18,28,596</b>	<b>48.45</b>	<b>-</b>	<b>2,19,92,212</b>	<b>48.88</b>	<b>-</b>	<b>0.43</b>

## Annexure A to the Board's Report Contd.

### iii) Change in Promoters' Shareholding:

Sr. No.	For each of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Swallow Associates LLP</b>				
	At the beginning of the year	1,21,10,188	26.99	1,21,10,188	26.99
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			1,21,10,188	26.92
<b>2</b>	<b>Instant Holdings Limited</b>				
	At the beginning of the year	33,93,440	7.56	33,93,440	7.56
	Increase / Decrease during the year				
	Purchase on May 5, 2017	23,027	0.05	34,16,467	7.61
	Purchase on May 12, 2017	828	0.00	34,17,295	7.62
	Purchase on August 18, 2017	10,321	0.02	34,27,616	7.64
	Purchase on August 25, 2017	28,054	0.06	34,55,670	7.70
	Purchase on September 1, 2017	4,787	0.01	34,60,457	7.71
	Purchase on September 8, 2017	24,163	0.05	34,84,620	7.77
	Purchase on September 15, 2017	18,605	0.04	35,03,225	7.81
	Purchase on September 22, 2017	10,000	0.02	35,13,225	7.83
	Purchase on January 12, 2017	601	0.00	35,13,826	7.83
	Purchase on March 27, 2018	2,24,000	0.50	37,37,826	8.33
	At the end of the year			37,37,826	8.31
<b>3</b>	<b>Sofreal Mercantrade Private Limited</b>				
	At the beginning of the year	11,15,723	2.49	11,15,723	2.49
	Increase / Decrease during the year				
	Purchase on August 10, 2017	16,665	0.04	11,32,388	2.52
	At the end of the year			11,32,388	2.52
<b>4</b>	<b>Chattarpati Apartments LLP</b>				
	At the beginning of the year	45,700	0.10	45,700	0.10
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			45,700	0.10
<b>5</b>	<b>Sudarshan Electronics and TV Limited</b>				
	At the beginning of the year	1	0.00	1	0.00
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			1	0.00
<b>6</b>	<b>Summit Securities Limited</b>				
	At the beginning of the year	49,17,698	10.96	49,17,698	10.96
	Increase / Decrease during the year				
	Purchase on August 9, 2017	14,599	0.03	49,32,297	10.99
	Purchase on August 11, 2017	3,810	0.01	49,36,107	10.97
	At the end of the year			49,36,107	10.97

## Annexure A to the Board's Report Contd.

Sr. No.	For each of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Crystal India Tech Trust through Trustee, Mr. H. V. Goenka				
	At the beginning of the year	2,16,216	0.48	2,16,216	0.48
	Increase / Decrease during the year				
	Purchase on April 28, 2017	8,156	0.02	2,24,372	0.50
	Disposed on March 27, 2018	2,24,000	0.50	372	0.00
	At the end of the year			372	0.00
8	Nucleus Life Trust through Trustee, Mr. H. V. Goenka				
	At the beginning of the year	1	0.00	1	0.00
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			1	0.00
9	Stellar Energy Trust through Trustee, Mr. H. V. Goenka				
	At the beginning of the year	1	0.00	1	0.00
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			1	0.00
10	Monitor Portfolio Trust through Trustee, Mr. H. V. Goenka				
	At the beginning of the year	1	0.00	1	0.00
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			1	0.00
11	Secura India Trust through Trustee, Mr. H. V. Goenka				
	At the beginning of the year	1	0.00	1	0.00
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			1	0.00
12	Prism Estates Trust through Trustee, Mr. H. V. Goenka				
	At the beginning of the year	1	0.00	1	0.00
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			1	0.00
13	Mr. H. V. Goenka				
	At the beginning of the year	29,625	0.07	29,625	0.07
	Increase / Decrease during the year	-	-	-	-
	At the end of the year			29,625	0.07

Note: The movement in shareholding is as per respective Benpos provided by the Depositories.

## Annexure A to the Board's Report Contd.

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters):

Sr. No.	NAME	Date	No. of Shares at the beginning/End of the year	Increase/Decrease in share-holding	Reason	N. of Shares	Percentage of total shares of the Company
1	Marina Holdco (FPI) Ltd.	1-Apr-17	1,03,01,294	0	NA	1,03,01,294	22.96
		31-Mar-18	1,03,01,294	0	NA	1,03,01,294	22.90
2	Amansa Holdings Private Limited	1-Apr-17	29,01,855	0	-	29,01,855	6.47
		5-May-17		1,500	Purchase	29,03,355	6.45
		2-Jun-17		-1,00,000	Sale	28,03,355	6.23
		28-Jul-17		-95,230	Sale	27,08,125	6.02
		11-Aug-17		-7,60,920	Sale	19,47,205	4.33
		10-Nov-17		15,671	Purchase	19,62,876	4.36
		15-Dec-17		355	Purchase	19,63,231	4.36
		29-Dec-17		2,946	Purchase	19,66,177	4.37
		26-Jan-18		63,921	Purchase	20,30,098	4.51
		31-Jan-18		16,265	Purchase	20,46,363	4.55
		2-Feb-18		21,073	Purchase	20,67,436	4.60
		9-Feb-18		43,458	Purchase	21,10,894	4.69
		16-Feb-18		5,711	Purchase	21,16,605	4.70
		23-Feb-18		2,979	Purchase	21,19,584	4.71
		2-Mar-18		2,887	Purchase	21,22,471	4.72
		23-Mar-18		11,182	Purchase	21,33,653	4.74
		30-Mar-18		2,732	Purchase	21,36,385	4.75
		31-Mar-18	21,36,385	0	Sale	21,36,385	4.75
		3	FIAM Group Trust for Employee Benefit Plans - FIAM Emerging Markets Commingled Pool	1-Apr-17	0	0	-
28-Apr-17				3,692	Purchase	3,692	0.01
5-May-17				14,671	Purchase	18,363	0.04
12-May-17				11,512	Purchase	29,875	0.07
19-May-17				36,098	Purchase	65,973	0.15
26-May-17				28,474	Purchase	94,447	0.21
2-Jun-17				3,52,608	Purchase	4,47,055	0.99
9-Jun-17				1,18,006	Purchase	5,65,061	1.26
16-Jun-17				2,521	Purchase	5,67,582	1.26
23-Jun-17				2,879	Purchase	5,70,461	1.27
30-Jun-17				3,701	Purchase	5,74,162	1.28
7-Jul-17				129	Purchase	5,74,291	1.28
14-Jul-17				216	Purchase	5,74,507	1.28
19-Jul-17				2,129	Purchase	5,76,636	1.28
21-Jul-17				1,753	Purchase	5,78,389	1.29
28-Jul-17				109	Purchase	5,78,498	1.29
4-Aug-17				2,253	Purchase	5,80,751	1.29
11-Aug-17				6,86,124	Purchase	12,66,875	2.82
18-Aug-17				40	Purchase	12,66,915	2.82
22-Sep-17				-7,143	Sale	12,59,772	2.80
29-Sep-17				6,230	Purchase	12,66,002	2.81
6-Oct-17		1,683	Purchase	12,67,685	2.82		
13-Oct-17		6,146	Purchase	12,73,831	2.83		
20-Oct-17		8,377	Purchase	12,82,208	2.85		
27-Oct-17		1,350	Purchase	12,83,558	2.85		
23-Mar-18		755	Purchase	12,84,313	2.85		
30-Mar-18		1,394	Purchase	12,85,707	2.86		
31-Mar-18	12,85,707	0	Purchase	12,85,707	2.86		

## Annexure A to the Board's Report Contd.

Sr. No.	NAME	Date	No. of Shares at the beginning/End of the year	Increase/Decrease in share-holding	Reason	No. of Shares	Percentage of total shares of the Company
4	Fidelity Advisor Series I - Fidelity Advisor Small Cap Fund	1-Apr-17	8,68,049	0	NA	8,68,049	1.93
		31-Mar-18	8,68,049	0	NA	8,68,049	1.93
5	Fidelity Puritan Trust-Fidelity Low-priced Stock Fund	1-Apr-17	8,00,000	0	NA	8,00,000	1.78
		31-Mar-18	8,00,000	0	NA	8,00,000	1.78
6	HDFC Trustee Company Ltd. A/c- HDFC Children's Gift Fund - Investment Plan	1-Apr-17	5,38,133	0	NA	5,38,133	1.20
		28-Jul-17		100000	Purchase	6,38,133	1.42
		31-Mar-18	6,38,133	0	-	6,38,133	1.42
7	VIVOG Commercial Limited	1-Apr-17	3,33,035	0	-	3,33,035	0.74
		19-Jul-17		-646	Sale	3,32,389	0.74
		21-Jul-17		-1354	Sale	3,31,035	0.74
		28-Jul-17		-20	Sale	3,31,015	0.74
		26-Jan-18		-9456	Sale	3,21,559	0.71
		9-Feb-18		-10796	Sale	3,10,763	0.69
		16-Feb-18		-1054	Sale	3,09,709	0.69
		31-Mar-17	3,09,709	0	-	3,09,709	0.69
8	Ashish Kacholia	1-Apr-17	2,58,350	0	-	2,58,350	0.57
		28-Apr-17		-36000	Sale	2,22,350	0.49
		2-Jun-17		-222350	Sale	0	0.00
		31-Mar-18	0	0	-	0	0.00
9	Suresh Kumar Agarwal	1-Apr-17	2,50,000	0	-	2,50,000	0.56
		28-Apr-17		-35550	Sale	2,14,450	0.48
		2-Jun-17		-214450	Sale	0	0.00
		31-Mar-10	0	0	-	0	0.00
10	ICICI Securities Limited	1-Apr-17	830	0	-	830	0.00
		7-Apr-17		-666	Sale	164	0.00
		14-Apr-17		953	Purchase	1,117	0.00
		21-Apr-17		-772	Sale	345	0.00
		28-Apr-17		464	Purchase	809	0.00
		5-May-17		-352	Sale	457	0.00
		12-May-17		1969	Purchase	2,426	0.01
		19-May-17		-2128	Sale	298	0.00
		26-May-17		318	Purchase	616	0.00
		2-Jun-17		-250	Sale	366	0.00
		9-Jun-17		878	Purchase	1,244	0.00
		16-Jun-17		-593	Sale	651	0.00
		23-Jun-17		804	Purchase	1,455	0.00
		30-Jun-17		-659	Sale	796	0.00
7-Jul-17		-321	Sale	475	0.00		

## Annexure A to the Board's Report Contd.

Sr. No.	NAME	Date	No. of Shares at the beginning/End of the year	Increase/Decrease in share-holding	Reason	No. of Shares	Percentage of total shares of the Company
		11-Jul-17		-457	Sale	18	0.00
		12-Jul-17		-11	Sale	7	0.00
		14-Jul-17		761	Purchase	768	0.00
		19-Jul-17		-503	Sale	265	0.00
		21-Jul-17		1,798	Purchase	2,063	0.00
		28-Jul-17		-1,385	Sale	678	0.00
		4-Aug-17		-319	Sale	359	0.00
		11-Aug-17		80	Purchase	439	0.00
		18-Aug-17		896	Purchase	1,335	0.00
		25-Aug-17		-927	Sale	408	0.00
		1-Sep-17		-248	Sale	160	0.00
		8-Sep-17		337	Purchase	497	0.00
		15-Sep-17		517	Purchase	1,014	0.00
		22-Sep-17		-813	Sale	201	0.00
		29-Sep-17		712	Purchase	913	0.00
		6-Oct-17		-354	Sale	559	0.00
		13-Oct-17		421	Purchase	980	0.00
		20-Oct-17		-849	Sale	131	0.00
		27-Oct-17		763	Purchase	894	0.00
		31-Oct-17		5,246	Purchase	6,140	0.01
		3-Nov-17		-3,466	Sale	2,674	0.01
		10-Nov-17		-1,563	Sale	1,111	0.00
		17-Nov-17		-843	Sale	268	0.00
		24-Nov-17		86	Purchase	354	0.00
		1-Dec-17		502	Purchase	856	0.00
		8-Dec-17		-596	Sale	260	0.00
		15-Dec-17		-89	Sale	171	0.00
		22-Dec-17		1,494	Purchase	1,665	0.00
		29-Dec-17		-1,110	Sale	555	0.00
		5-Jan-18		-373	Sale	182	0.00
		12-Jan-18		192	Purchase	374	0.00
		19-Jan-18		6,588	Purchase	6,962	0.02
		26-Jan-18		-2,671	Sale	4,291	0.01
		31-Jan-18		-3,080	Sale	1,211	0.00
		2-Feb-18		1,708	Purchase	2,919	0.01
		9-Feb-18		-2,207	Sale	712	0.00
		16-Feb-18		-520	Sale	192	0.00
		23-Feb-18		-112	Sale	80	0.00
		2-Mar-18		-79	Sale	1	0.00
		9-Mar-18		354	Purchase	355	0.00
		16-Mar-18		2,254	Purchase	2,609	0.01
		23-Mar-18		-2,059	Sale	550	0.00
		30-Mar-18		2,44,650	Purchase	2,45,200	0.55
		31-Mar-18	2,45,200	0	-	2,45,200	0.55

## Annexure A to the Board's Report Contd.

Sr. No.	NAME	Date	No. of Shares at the beginning/End of the year	Increase/Decrease in share-holding	Reason	No. of Shares	Percentage of total shares of the Company
11	Sunita Kabra	1-Apr-17	1,78,000	0	-	1,78,000	0.40
		7-Apr-17		-19,700	Sale	1,58,300	0.35
		14-Apr-17		-8,722	Sale	1,49,578	0.33
		21-Apr-17		-3,286	Sale	1,46,292	0.33
		28-Apr-17		-8,100	Sale	1,38,192	0.31
		12-May-17		-50	Sale	1,38,142	0.31
		19-May-17		-26,000	Sale	1,12,142	0.25
		7-Jul-17		-2,742	Sale	1,09,400	0.24
		11-Jul-17		-1,000	Sale	1,08,400	0.24
		19-Jul-17		-2,275	Sale	1,06,125	0.24
		21-Jul-17		-2,500	Sale	1,03,625	0.23
		28-Jul-17		-5,600	Sale	98,025	0.22
		11-Aug-17		-46,349	Sale	51,676	0.11
		18-Aug-17		-250	Sale	51,426	0.11
		8-Sep-17		-250	Sale	51,176	0.11
		15-Sep-17		-1,000	Sale	50,176	0.11
		22-Sep-17		-6,976	Sale	43,200	0.10
		29-Sep-17		-9,200	Sale	34,000	0.08
		13-Oct-17		-4,167	Sale	29,833	0.07
		20-Oct-17		-3,550	Sale	26,283	0.06
		27-Oct-17		-6,145	Sale	20,138	0.04
		31-Oct-17		-6,138	Sale	14,000	0.03
		3-Nov-17		-250	Sale	13,750	0.03
10-Nov-17		-750	Sale	13,000	0.03		
31-Mar-18		13,000	0	-	13,000	0.03	
12	Dimensional Emerging Markets Value Fund	1-Apr-17	1,64,214	0	-	1,64,214	0.37
		25-Aug-17		1,669	Purchase	1,65,883	0.37
		31-Mar-18	1,65,883	0	-	1,65,883	0.37
13	IIFL Asset Revival Fund Series 2	1-Apr-17	2,07,610	0	-	2,07,610	0.46
		19-May-17		49,996	Purchase	2,57,606	0.57
		31-Oct-17		-2,000	Sale	2,55,606	0.57
		3-Nov-17		-925	Sale	2,54,681	0.57
		31-Mar-17	2,54,681		-	2,54,681	0.57

## Annexure A to the Board's Report Contd.

### v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at beginning 01.04.17 /end of the year 31.03.18	% of total shares of the Company				No. of shares	% of total shares of the Company
<b>Shareholding of Directors:</b>								
1)	Mr. H. V. Goenka - Non Executive Chairman	29,625	0.07	01.04.2017	-	Nil movement during the year	-	-
		29,625	0.07	31.03.2018	29,625			
		-	-	31.03.2017				
2)	Mr. Harsh Mariwala, Independent & Non-Executive Director	3,551	0.01	01.04.2017				
				23.06.2017	471	Market Purchase	4,022	0.01
				30.06.2017	28	Market Purchase	4,050	0.01
		4,050	0.01	31.03.2018				
3)	Mr. Ajit Vaswani, Independent & Non-Executive Director	10,000	0.02	01.04.2017	-	Nil movement during the year	-	-
		10,000	0.02	31.03.2018				
<b>Shareholding of Key Managerial Personnel:</b>								
1)	Mr. Manoj Jaiswal, Chief Financial Officer till December 4, 2017	699	0.00	01.04.2017	-	Nil movement during the year	-	-
		699	0.00	31.03.2018	-			

**Note:** The shareholding details are given based on the beneficial ownership. Apart from above no other Director and Key Managerial Personnel holds any shares at the beginning and end of the FY 2017-18 in the Company. Further apart from above there was no increase / decrease in shareholding of any other Director and Key Managerial Personnel.

## V INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lakhs)

Indebtedness at the beginning of the FY - 01.04.17	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	1,458.27	-	-	1,458.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.13	-	-	0.13
<b>Total (i+ii+iii)</b>	<b>1,458.40</b>	<b>-</b>	<b>-</b>	<b>1,458.40</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	4,536.82	-	-	4,536.82
* Reduction	5,995.09	-	-	5,995.09
<b>Net Change</b>	<b>-1,458.27</b>	<b>-</b>	<b>-</b>	<b>-1,458.27</b>
<b>Indebtedness at the end of the financial year 31.03.18</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Annexure A to the Board's Report Contd.

### VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Sandeep Kishore (Amount in INR)	Total Amount (INR)
<b>1</b>	<b>Gross salary</b>		
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12,88,017	12,88,017
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961**	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission:</b>	-	-
	- As a % of Profit	-	-
	- Others, specify	-	-
<b>5</b>	<b>Others, please specify</b>	-	-
	Contribution to PF	1,54,562	1,54,562
	Contribution to Gratuity	-	-
	Contribution to Superannuation Fund	-	-
	Consolidated Allowances	-	-
	Car Perquisite	-	-
	Sale of Assets (Perquisites)	-	-
	<b>Total (A)</b>	<b>14,42,579</b>	<b>14,42,579</b>
	<b>Ceiling as per the Act - INR 12,52,55,244/- (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)</b>	-	<b>12,52,55,244</b>

Note :

\* Excludes the perquisite value of employee stock options exercised, if any and provision for compensated absences/ Gratuity due to non-availability of separate actuarial valuation reports for key managerial personnel.

In addition to above, Mr. Sandeep Kishore has also been paid a remuneration from Zensar Technologies, Inc., USA as disclosed in the notes to accounts to consolidated financial statements.



## Annexure A to the Board's Report Contd.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in INR)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Manoj Jaiswal Chief Financial Officer (up to December 4, 2017)	Mr. Navneet Khandelwal Chief Financial Officer (w.e.f. January 18, 2018)	Mr. Nilesh Limaye Company Secretary (Up to January 31, 2018)	Mr. Gaurav Tongia Company Secretary (w.e.f. February 1, 2018)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,17,37,894	50,16,552	48,73,665	5,66,194	2,21,94,305
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	No new stock options were granted during the year under review				NA
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- As % of profit	-	-	-	-	-
	- Others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	1,17,37,894	50,16,552	48,73,665	5,66,194	2,21,94,305

Note:

\* Excludes the perquisite value of employee stock options exercised, if any and provision for compensated absences/ Gratuity due to non-availability of separate actuarial valuation reports for key managerial personnel.

In addition to above, Mr. Sandeep Kishore has also been paid a remuneration from Zensar Technologies, Inc., USA as disclosed in the notes to accounts to consolidated financial statements.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					

NIL

# Annexure B to the Board's Report

## NOMINATION AND REMUNERATION POLICY

### 1. Introduction:

This policy on Nomination and Remuneration of Directors, key Managerial Personnel and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement in order to pay equitable remuneration to Directors, Key Managerial Personnel and other employees of the Company.

### 2. Objective:

- I. Formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director (Executive/non-executive) and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- II. To formulate the criteria for performance evaluation of all Directors.
- III. Formulate Board diversity policy.

### 3. Constitution of the Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee (NRC) on 8th April 2014 as per Companies Act, 2013.

### 4. Definitions:

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Company**” means Zensar Technologies Limited

“**Directors**” means Directors of the Company.

“**Independent Director**” (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder.

“**Key Managerial Personnel**” (KMP) means

1. Chief Executive Officer or the Managing Director or the Manager; and in their absence, Whole-Time Director;
2. Chief Financial Officer; and
3. Company Secretary

“**Senior Management Personnel**” (SMP) means the employees of the Company who are directly reporting to the Managing Director/Chief Executive Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 5. Matters to be dealt with and recommended by NRC to the Board

The following matters shall be dealt by the Committee:

#### a) Directors

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrants the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

#### b) Evaluation of performance

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance. Identifying familiarization and training programs for the Board to ensure that Non- Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities

#### c) Board diversity

NRC is to assist the Board in ensuring Board nomination process with diversity of gender, thought, experience, knowledge and perspective in the Board in accordance with the Board diversity.

#### d) Remuneration framework and policies

NRC is responsible for reviewing and making recommending to the Board on the following:

- i. The remuneration of MD/CEO and KMPs.
- ii. Remuneration of Non-Executive Directors and chairman.
- iii. Remuneration Policy for all employees including KMPs and SMPs which requires to take note of need to:
  - a. Attract and motivate talent to accomplish Company's long term growth.
  - b. Demonstrate a clear link between executive compensation and performance.
  - e) Company's stock option schemes.

### 6. Policy for appointment remuneration, and removal of Director, MD/CEO, KMP and SMP:

#### A. Appointment criteria and qualifications

NRC shall identify person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment.

## Annexure B to the Board's Report Contd.

### B. Retirement

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers to be in the Company's interest, shall have the discretion to retain, Director, KMP and SMP even after attaining the retirement age.

### C. Removal

In case any Director or KMP incurs any disqualification as provided under the Act or Rules made thereunder or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP.

### 7. Policy for remuneration to Directors, KMP, SMP

#### MD/CEO:

Remuneration to the MD/CEO shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.

#### NEDs:

- i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and sub Committees of the Board.
- ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders whenever required.

- iii. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

#### KMPs & SMPs:

The remuneration to be paid to the KMPs and SMPs, shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition. The remuneration shall be combination of fixed and variable pay.

### 8. NRC may consider granting Stock Options to MD/CEO, KMPs, SMPs and other employees pursuant to any Stock Option Plan adopted by the Company.

### 9. General:

This policy is framed based on the provisions of the Companies Act, 2013 and Rules thereunder and the requirements of Clause 49 of the Listing Agreement with Stock Exchanges. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other Regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

# ANNEXURE C TO THE BOARD'S REPORT

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Company is pleased to report that Research and Development Program activities (program recognized by Department of Science and Industrial Research (DSIR), Department of Science and Technology, Government of India in September 2008) are institutionalized as explained below:

Zenlabs, a centre of research and innovation, is a collaborative space for our futuristic technology teams to come together to devise, design and deliver consequential business and technology solutions.

Zenlabs brings a team of world class techno-commercial team that leverages deep understanding of technologies to deliver innovation. With an array of research specialists, it incubates new projects through applied R&D projects in the areas of Artificial Intelligence, Machine Learning, IoT, Smart Interfaces and Blockchain technology.

The key differentiator is internal ecosystem, the Office of Technology, which in addition to Zenlabs comprises of Technology Solutions and Product Management Group. The strength of the technology ecosystem lies in how the three facets of Office of Technology come together to make it conducive for our R&D as well as the implementation of our proposed innovative solutions.

Key focus at Zenlabs is to bring disruption in how business will adopt technology in the long run. It connects insights on consumer trends with business insights and technology adoption, tying it all together with digital business solutions enabling the business objectives of our customers.

### Key Highlights:

#### 1. Artificial Intelligence

It aims at creating an AI powered Contextual Recommendation Engine that collects data from multiple modalities in an enterprise, continuously evaluates the signals and provides near-real time recommendations. Applications built using Zenlabs recommendation engine are already being piloted at a large insurance company in South Africa and US.

The research around potential AI use-cases has led Company, to focus on:

- Contextual guidance or Recommendation
- Information retrieval

- Image recognition
- AI powered Question / Answering system

With core focus on Manufacturing, Retail and BFSI Industries, these use-cases will help the improve their Customer experience, new revenue stream, process optimization & operational efficiency.

#### 2. IoT

The Company has partnered with various service providers for IoT platforms to build ready Go-to-market solutions. Company also works with region specific communication providers to provide end-to-end services.

Company has been engaging with many customers by investing people/efforts – Co-Innovation model, IoT innovation lab, Co-Development model with OEMs and COEs based for end-to-end solutions. Such IOT solutions can provide:

- 20-50% reduction in time-to-market
- 30-50% reduction in machine downtime
- Reduce inventory costs by 20-50%

#### 3. Blockchain

Company's Blockchain solution, ZenSmartBlox is building a platform agnostic middleware which allows blockchain users to concentrate on business problem while middleware handles the blockchain management for the enterprise application. Following are the areas where ZenSmartBlox is contributing to evolution of blockchain technology:

- a. Building Infrastructure agnostic blockchain setup utility:
- b. Building Plug and Play consensus mechanism bespoke to use case
- c. Building EDI replacement:
- d. Integration framework

#### 4. Zensar University Alliances Program

This Program aims to build a research partnership where it brings on board Industry outlook and expertise together with the research expertise of partner institution to create innovative and marketable technology solutions.

## ANNEXURE C TO THE BOARD'S REPORT **Contd.**

By leveraging the industry expertise of Zensar professionals and the research prowess of partner university, it is aimed to explore co-creation opportunities benefiting the consumers of technology who are looking to tackle complex business challenges. Through this partnership program, it is proposed to -

1. Strengthen the innovation ecosystem by providing technical support to research departments
2. Facilitate joint research activities, publications, case studies and short term academic programs to establish thought leadership
3. Enable knowledge transfer by co-depending on resources including human resources

4. Develop critical skills in the young minds of students honing their technical skills and enhancing employability

For and on behalf of the Board

Sd/-

**H. V. Goenka**

Chairman

Place: Mumbai

Dated: 24th April, 2018

# ANNEXURE D TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CSR ACTIVITIES

(Amount in INR Lakhs)

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs	CSR Policy of the Company is enclosed herewith. Further, the details of CSR policy and activities of the Company are also hosted on website of the Company.
2	The Composition of the CSR Committee.	<ul style="list-style-type: none"> <li>Mr. Arvind Agrawal - Chairman</li> <li>Mr. A. T. Vaswani - Member</li> <li>Mr. Sandeep Kishore - Member</li> </ul>
3	Average net profit of the Company for last three financial years	25,223.54 (FY 2014-15 to FY 2016-17)
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	504.47
5	Details of CSR spent during the financial year.	
	(a) Total amount to be spent for the financial year	504.47
	(b) Amount unspent, if any	6.36
	(c) Manner in which the amount spent during the financial year is given below	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity Identified	Sector in Which the Project is Covered	Projects or Programs	Amount Outlay (Budget) Project or Program wise	Amount Spent on Projects or Programs	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
			Local Area or Other		Direct Expenses Overheads		
1	Donation to RPG Foundation	Sectors covered under Schedule VII appended to the Companies Act, 2013. Brief details of programs are mentioned in Table A below as well as in the Board's Report	Local Area	329.47	329.47	-	Amount paid directly by the Company to RPG Foundation. An implementing agency and spent by RPG Foundation
2	Training programmes for Employability & Skill Development	Employability Enhancement	Local Area	175.00	168.64	-	Directly
	<b>Total</b>			<b>504.47</b>	<b>498.11</b>	<b>-</b>	
	<b>Grand Total</b>				<b>498.11</b>		

## ANNEXURE D TO THE DIRECTORS' REPORT Contd.

- 6 The reasons for not to spend the two per cent of the average net profit of the last three financial years are stated in Board report
- 7 CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Place: Mumbai  
Dated: 24th April, 2018

Mr Arvind Agrawal  
Chairman of the Corporate Social  
Responsibility Committee

Mr. Sandeep Kishore  
CEO & MD

**Table A**

Sr. No.	Programme Details	Sector in which covered
1	Udaan English program, Health programs, Community mobilization. Gender Equity Program, Netranjali, Swayam, Sanjeevani Entrepreneurship program, economic Development program and School Programs	Community development
2	Training programmes for Employability & Skill Development.	Employability enhancement
3	Udaan Biodiversity Park, Urban farmer's club, 4 water huts in Government schools in Hyderabad.	Environment Sustenance
4	Digital Literacy Buses	Digital Literacy

### CORPORATE SOCIAL RESPONSIBILITY POLICY - Zensar Technologies Limited

RPG Foundation, a trust established by RPG Group leads Zensar's social outreach programs. Zensar Technologies also undertakes a few CSR programs outside of RPG Foundation. As a responsible business corporation, we take pride in being socially committed and focused on building sustainable and effective Corporate Social Responsibility (CSR) initiatives by focusing on three pillars - **Community Development, Employability Enhancement and Environment Sustenance**. Digital Literacy is also an added area of focus. The management has a strong belief in the merits of participation in CSR by the employees of Zensar and therefore, places much emphasis on employee volunteering for CSR activities. We choose to work in the neighborhood of Zensar locations, so as to engage in an interactive and harmonious relationship with the communities around.

#### Partnerships

RPG Foundation is an 'implementing organization' and is directly involved in the CSR projects being undertaken. Collaborative partnerships are formed with both, Government & Non-Government Organizations (NGOs) and other like-minded stakeholders. This helps widen the Company's reach and leverages the collective expertise, wisdom and experience that these partnerships bring to the issues that Zensar is committed to.

#### Budget

Each year, the budget for CSR spend is in line with the provisions under the Companies Act, 2013 in this regard. The budget is project driven and approved by the CSR Committee. Any surplus arising out of CSR programs shall not form part of the business profit of Zensar and would be ploughed back to the CSR corpus for spending on CSR projects only.

#### Monitoring mechanism and responsibilities

Zensar has a CSR team comprising of personnel having adequate experience and passion for CSR activities. CSR team is responsible for implementation and execution of CSR projects/programs. All projects are reviewed once every 6 months against targets and approved budgets by CSR Committee and wherever necessary, midcourse corrections are initiated.

For and on behalf of the Board

Place: Mumbai  
Dated: 24th April, 2018

Sd/-  
**H. V. Goenka**  
Chairman

## ANNEXURE E TO THE BOARD'S REPORT

### Annexure "E-1"

Sr. No.	Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees of the Company
1	Mr. H. V. Goenka	25.29
2	Mr. Sandeep Kishore	1.70
3	Mr. A. T. Vaswani	1.86
4	Mr. P. K. Mohapatra	0.71
5	Mr. Arvind Agrawal	1.45
6	Mr. Venkatesh Kasturirangan	1.29
7	Ms. Madhabi Puri Buch	0.71
8	Mr. Sudip Nandy	1.68
9	Mr. Shashank Singh (Marina Holdco (FPI) Ltd)	1.41
10	Mr. Ketan Dalal	0.47
11	Mr. Ben Druskin	0.35
12	Ms. Tanuja Randery	0.24
13	Mr. Harsh Mariwala	0.12

#### Notes:

- Median remuneration of the employees is calculated on the basis of remuneration details of permanent employees on India payroll excluding Managing Director/s.
- Mr. P. K. Mohapatra has ceased to be a director w.e.f. 13th March, 2017 due to death and was paid Commission for the year 2016-17 in April 2017.
- Ms. Madhabi Puri Buch ceased to be a director w.e.f. 03rd April, 2017 due to resignation.
- Mr. Ketan Dalal was appointed as Non-executive Independent Director on the Board w.e.f. 03rd November, 2017.
- Mr. Ben Druskin was appointed as Non-executive Independent Director on the Board w.e.f. 03rd November, 2017.
- Ms. Tanuja Randery was appointed as Non-executive Independent Director on the Board w.e.f. 18th January, 2018.
- Mr. Harsh Mariwala was appointed as Non-executive Independent Director on the Board w.e.f. 18th January, 2018.

### Annexure "E-2"

Sr. No.	Name of the Director/ Key Managerial Personnel	Name of the Director/ Key Managerial Personnel	% Increase in the Remuneration
1	Mr. H. V. Goenka	Chairman	-26.31
2	Mr. Sandeep Kishore	CEO & MD	-4.09
3	Mr. A. T. Vaswani	Director	-17.45
4	Mr. P. K. Mohapatra	Director	NA
5	Mr. Arvind Agrawal	Director	96.03
6	Mr. Venkatesh Kasturirangan	Director	-4.35
7	Ms. Madhabi Puri Buch	Director	NA
8	Mr. Sudip Nandy	Director	25.27
9	Mr. Shashank Singh (Marina Holdco (FPI) Ltd)	Director	-17.81
10	Mr. Ketan Dalal	Director	NA
11	Mr. Ben Druskin	Director	NA
12	Ms. Tanuja Randery	Director	NA
13	Mr. Harsh Mariwala	Director	NA
14	Mr. Manoj Jaiswal	Chief Financial Officer	NA
15	Mr. Navneet Khandelwal	Chief Financial Officer	NA
16	Mr. Nilesh Limaye	Company Secretary	31.60
17	Mr. Gaurav Tongia	Company Secretary	NA

## ANNEXURE E TO THE BOARD'S REPORT **Contd.**

### Notes:

1. Mr. S. Balasubramaniam has ceased to be Chief Financial Officer on 16th January, 2017.
2. Mr. P. K. Mohapatra has ceased to be a director w.e.f. 13th March, 2017 due to death.
3. Mr. Ketan Dalal, Mr. Ben Druskin, were appointed as Directors with effect from 3rd November, 2017 and therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
4. Ms. Tanuja Randery and Mr. Harsh Mariwala were appointed as Directors with effect from 18th January, 2018 and therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
5. Mr. Manoj Jaiswal was appointed as Chief Financial Officer on 16th January 2017 and ceased to be Chief Financial Officer on 4th December, 2017. The comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
6. Mr. Navneet Khandelwal was appointed as Chief Financial Officer with effect from 18th January, 2018 and therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
7. Mr. Gaurav Tongia was appointed as Company Secretary with effect from 1st February, 2018 and therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
8. Director's remuneration include comission and sitting fees paid during FY 2017-18.

For and on behalf of the Board

Place: Mumbai

Dated: 24th April, 2018

Sd/-

**H. V. Goenka**

Chairman

# ANNEXURE F TO THE BOARD'S REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS

### CORPORATE PROFILE

The Company is a leading digital solutions and technology services company that specializes in partnering with global organizations across industries on their Digital Transformation journeys. A technology partner of choice, backed by strong track-record of innovation; credible investment in Digital solutions; assertion of commitment to client's success; Company's comprehensive range of digital and technology services and solutions enable its customers to achieve new thresholds of business performance. Company, with its experience in delivering excellence and superior client satisfaction through myriad technology solutions, is uniquely positioned to help them surpass challenges around running their existing business most efficiently, helping in their legacy transformation, and planning for business expansion and growth through innovative and digital ways.

### Return on Digital® paves the path to success

The Company continued its focus on practicing and applying key differentiator approach of leveraging Return on Digital®, both internally and externally. Taking ahead this approach in new areas, the Company is not only one of the few companies that is a truly 'Living Digital' entity, but it has made successful strides in partnering with customers to navigate the journey of digital transformation. The entire workforce is digitally enabled to participate across all employee engagement activities through cutting-edge applications, all created in-house. The Company is very proud of having remained committed to the singular goals, setting a fitting example to showcase to the customers on how this approach has streamlined the Company, making it agile and nimbler. The Company is totally committed to be the Best in Class in Digital business across all full-service IT / Digital companies.

### Geographic Locations

The Company is strategically spread across global locations. The presence in US, Europe, Africa, Middle-East, India and APAC enables the Company to be nearer to its customers, ensuring that the Company can be their partner seamlessly.

### Adding value to Customers

The Company has deepened its relationships with existing customers, while adding new customers to the fold, across all service lines. The impact on customer's business outcomes has increased, due to singular focus on bringing business impact in their operations.

Investments in strengthening pre-sales and sales teams across all regions has helped the Company make significant in-roads into new opportunities. The Company also won, one of its largest customer wins from

the US region recently, made possible by excellent team work, collaboration and focused approach. The Company is well positioned to take the next leap in building long-term relationships with global customers.

### Acquisition of Cynosure Inc.

Taking ahead the focus on strengthening go-to-market positioning, Company acquired Cynosure Inc., a leading Guidewire PartnerConnect Consulting Partner in the Property and Casualty Insurance category. This Company is headquartered in Chicago, Illinois and has an offshore development center in Bengaluru, India. The Management looks at Cynosure to play an important role in Digital Insurance strategy and will go a long way in earning Insurance clients' interest, business, and most of all, be their digital transformation partner. The addition of the unique capabilities of Cynosure will enable customers to realize Return on Digital® across platforms.

### Current Strength and Future Projections

One of the key trends across global businesses was around adopting or exploring digital technologies. Many of them embarked on the journey to leverage the benefits offered by going digital, whereas some who had embraced this earlier began to see the outcomes. There were political influences that will have a long ranging impact on how technology led companies do business in few regions, but the Management has planned to ensure that it continues to keep itself open to change and new opportunities.

In the last two financial years, Company has been focused on growing its business in the context of everything digital as that carries the maximum potential for growth. To this end, digital business has consistently grown to contribute to overall business. The Company will continue to build solutions and deliver on this successful strategy going forward.

The Company made a foray towards embarking on a full-fledged innovation-led strategy. In April 2017, it launched Zenlabs, which focused on developing and defining the cutting-edge solutions poised to give a head start to a more successful future. Zenlabs has the charter to file patents, giving life to the innovation and ideas created in-house. One of the first initiatives is the Zeva, a voice assistant for the not very distant future. The Zenlabs team is currently involved in multiple initiatives across Artificial Intelligence, Machine Learning, Augmented Reality, Virtual Reality, Blockchain etc. that are all emerging technology platforms. The Intelligent Command Center, ICC, has successfully displayed its ability to monitor, create and provide next generation Cloud and IMS services leveraging our solution(s). ICC allows us to provide all automation services under a single roof enabling customers to do more.

## ANNEXURE F TO THE BOARD'S REPORT Contd.

New solutions were launched successfully this year, getting the attention of customers who seemed to be excited with the frequency of new announcements from the Company. The solutions were Return on Digital® enabled business solutions, Big-Data enabled platform for seamless end to end information management and Blockchain Enablement Framework. These solutions have been launched to bring more value and support all the customers as digital becomes mainstream in their operations. Customers kept seeing benefits and few of them partnered with the Company, to jointly announce success stories.

To be more agile and partner with clients better, the organization was simplified, to be more client focused and aligned to the market needs. The Company consolidated all applications and digital delivery to drive both scale and efficiency. The Company created one Retail Go to Market team in the US. All the competencies of the Company were brought in one place in the form of Central Practices Organization (CPO) to drive market aligned solutions. The Company created emerging practices in CPO that is expected to grow with 30% CAGR and will own all solutions and delivery for them to ensure complete accountability.

All the verticals of manufacturing, retail, financial services and consumer performed well. Retail has shown a marked increase to overall business. All the efforts towards consolidating the erstwhile digital commerce business and Keystone digital supply chain offerings under one unit has enabled us to achieve this milestone.

This year has been noteworthy for the numerous mentions in several analyst reports and studies. Having been featured across multiple service lines and solutions, underlines the credibility the Company brings to the business. Its name found prominence in the list of trustworthy companies to partner with, strengthening image across existing and prospective customers. In fact, Company was featured in 7 Gartner reports in about last 12 months or so, which is a feat to be proud of. In some reports, Company's customers have provided their evaluations displaying their faith in Company's capabilities. It has been included in the first Gartner Guide for Blockchain as well as across Oracle applications, Digital Commerce, Enterprise Architecture, Digital Workplace Services etc. to name a few. All these recognitions demonstrate the stellar work put in by the teams which has resulted in competitive solutions that make a difference to the customers globally.

People are key strength and opportunity. Today, Company has a diverse mix of talented, capable, bright teams that has one mission-to be a customer centric organization and delivering by 'Living Digital'. Company's entire Human Resource eco-system is completely digitalized. This means that employees are more engaged, have more flexibility to work faster and deliver better to customers.

The Company has created a transparent framework for its associates, which helps them to drive efficiency, seek resolutions, improve productivity and embrace the digital way of doing business.

### The Industry Landscape\*

The global IT-BPM Industry stood at USD 1.3 trillion (excluding hardware), displaying a growth of 1.6% over 2016. In terms of overall trends, global sourcing growth outperformed global IT-BPM growth in 2017. Global sourcing grew to reach USD 185-190 billion. India continued to be the world's No 1 sourcing destination with a share of 55%. A total of 271 new global delivery centres were set up worldwide (By US headquartered firms) in 2017, wherein India accounted for 24% share and Europe was at 29%.

IT services grew at a muted 2.4% driven by the need for digital solutions. Under BPM, there was highest number of RPA implementations at 3.4%. Packaged software showed the highest growth at 7.7%.

### Worldwide IT-BPM Spend

Globally, the technology landscape is now showing the shift to digital technologies and increased adoption across sectors. As multiple sectors like banking, automotive and manufacturing are adopting new forms of technology platforms, organizations must transform their processes, people and technology suit the changing needs.

Sectors like BFSI and manufacturing lead in the IT spends as they invest in new technology platforms and digital. Industries like telecom, government and professional services are expected to increase their IT spends. The focus of consumer spends is moving from devices to related software like security, file sharing etc.

Global ER&D spends were at 3.2% growth which is better than the rather flat growth through last two years. Most businesses continued to invest in IT and digital led programs-with specific focus on areas related to Blockchain, Internet of Things (IoT), Artificial Intelligence and Machine Learning.

It was obvious that most customer prefer end to end solution providers as the share of bundled deals was 65% in terms of value. Within this, SMAC deals constitute 4% share. In BPM, supply chain management had a 55% share (value) followed by HRO (15%).

In terms of the regional break-up, the Americas had the largest share of the deal value at 85%, with the highest growth at 189% year-on-year. Europe followed with a 12% share and 28% year-on-year growth while APAC and ROW reported a decline.

Across all M&A deals, digital-led acquisitions accounted for 75% of all announced deals. Most companies adopted the strategy of inorganic growth in the areas of cloud, analytics, mobility and automation.

## ANNEXURE F TO THE BOARD'S REPORT Contd.

The first half of FY 2017-18 was a muted one for the entire Indian IT sector, however the third quarter saw some recovery. The estimates made by NASSCOM indicate that in FY 2017-18, India's IT-BPM revenue (excluding e-commerce) will grow by 8% to reach USD 167 billion, which is a healthy addition of USD 13 billion from 2016.

The average contribution of digital revenues is between the ranges of 18-20% and is all set to grow. BY 2025, this share is expected to increase to 38%. Global in-house centres (GICs) in India are been reset as Centres of Excellence (CoEs). Digital is now becoming mainstream in many legacy focused companies set up in India. Most of the new products, solutions and platforms are digital. The erstwhile legacy oriented service lines like customer interaction, software testing, ISO are also seeing the introduction of chat bots, automation etc. This is the overall direction taken by the industry, taking into account the dynamic changes affecting the global technology space.

In summary, the contribution of this industry is relative to India's GDP at 7.9%, one of the highest contributors. Overall the industry is expected to employ 3.97 million people, which is an addition of 105,000 people over CY 2017. (\*Source: NASSCOM Strategic Review CY 2018)

### Service lines

The Company has managed to be on the growth path amidst volatile industry estimates. The Company has been cognizant of the need to maintain growth, amidst volatile market conditions. It has been proactive in practicing prudence in our operational efficiency, coupled with a sharper sales focus on adding new businesses.

In FY2017-18, Company has 2 customers in the USD 20 million segment, followed by 2 customers in the USD 10 million, 13 customers in the USD 5 million segment and an encouraging 63 customers in the USD 1 million segment.

### Key Partnerships and alliances

The industry is focused on leveraging technology partnerships and alliances to bring combined value to customers. The Company is involved in strategic partnerships and alliances with industry leaders in key digital technologies. It extended the partnership with Microsoft in South Africa this year to enable the

customers to do more. Oracle continues to be a strategic focus areas and Company continues honing its expertise in the Oracle Cloud platforms. Company remains focused on all alliances like Pega, AWS, SFDC to name a few as it builds its digital led capabilities and offerings.

### Focused cost optimization

The Management realizes the importance of consistent cost optimization across all functions. One of the biggest benefits of being a 100% Living Digital organization is the positive impact on cost savings. Company could monitor, make course corrections, and remain agile, accessible and transparent to all stakeholders equally. Going digital has been one of the key drivers to bring in cost effectiveness and efficiency, improving overall organization-wide productivity.

### ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management program at Zensar aims at protecting shareholders' value and the Company's business from potential risks from various environments it operates in. The risk management program covers end-to-end Risk governance / management process including identification, prioritization, monitoring and reporting of risks affecting various business units and geographies. The program covers compliance with applicable government and regulatory requirements, potential risk areas in various economic, social and industrial environments Zensar operates in.

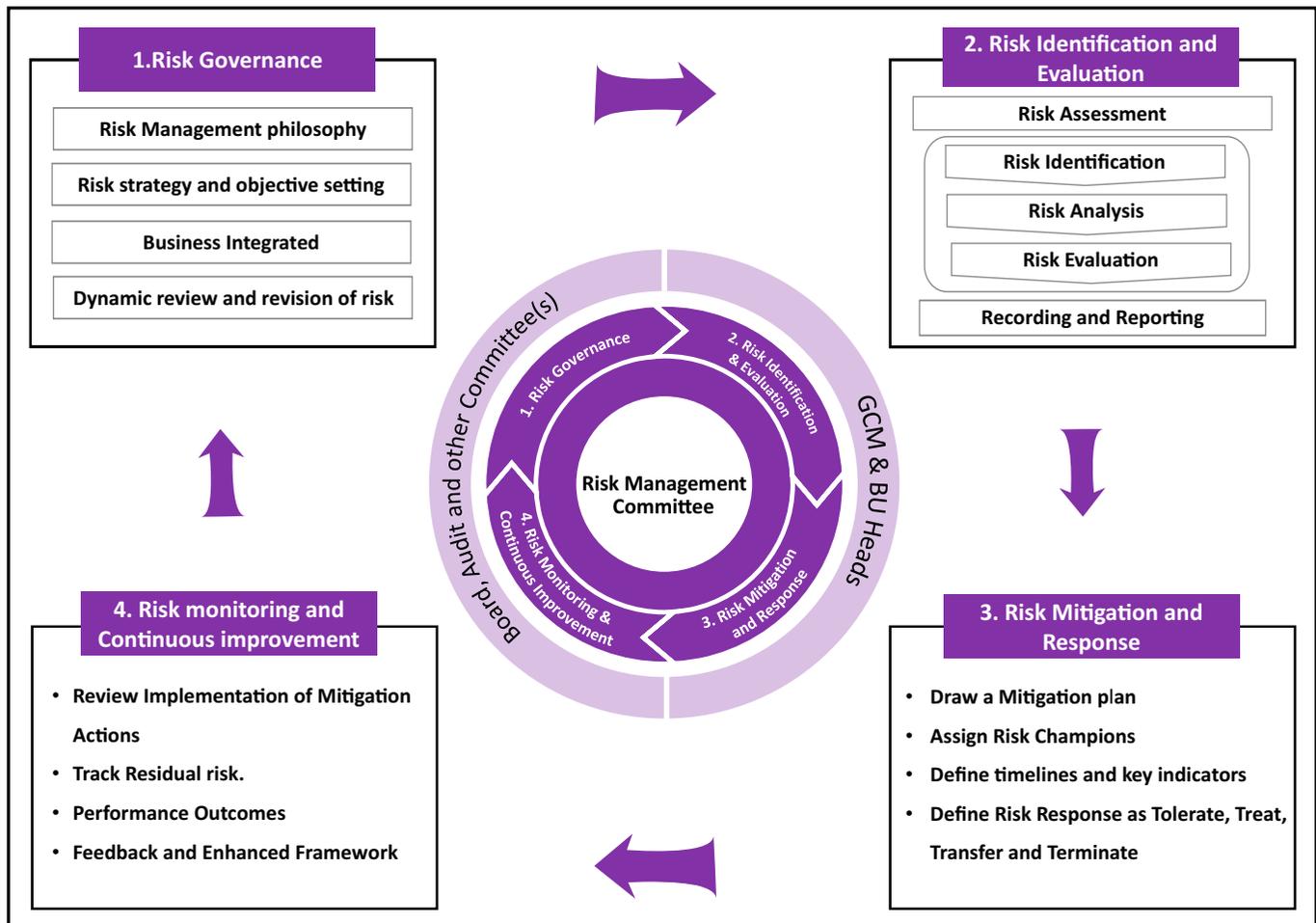
Risk management is a key business driver of Zensar's strategy in competitive market place and is linked to the plan of achieving its long-term goals and overall governance under the supervision of the Board of Directors. The Company has set up Risk Management Council, which is responsible for identifying various risks, prioritize them, and monitoring potential threats and occurrences based on various key indicators. This council works in consultation with the Board of Directors, Management Council Members, respective Function and Country heads.

The Company routinely reassesses its Risk governance framework, seeking professional advice from experts in risk advisory field to ensure the framework is updated and effective at all times.

# ANNEXURE F TO THE BOARD'S REPORT Contd.

## Risk Management Process:

The risk management process undertaken at Zensar is set of coordinated activities described as follows:



Certain inherent risks associated with the IT Industry as well as the Company broadly are listed below:

Major Risks	Mitigation Plan
<p><b>Information Security and Cyber Security</b></p> <p>Potential risk of breach of security of Company's network and possible impact on its operations, customer confidential data as well delivery work for its customers.</p>	<p>The Company has implemented elaborate security program using latest technology and tools to detect, prevent and remediate threats. The program ensures continuous monitoring of design and effectiveness of controls. The Company also has created detailed business continuity plan and disaster recovery plan for mission critical infrastructure to avoid any disruption of service and operations.</p>
<p><b>Data Privacy Regulations</b></p> <p>Risk relating to confidentiality of personal information dealt with both by and on behalf of Zensar increases the risk of non-compliance.</p>	<p>The Company has been de-risked by a specific program implementing policies and processes for respective support function and delivery teams, covering all applicable geographies and areas of operations. This also involves ongoing assessment of effectiveness of this program.</p>

## ANNEXURE F TO THE BOARD'S REPORT Contd.

Major Risks	Mitigation Plan
<p><b>Technology Obsolescence</b></p> <p>The Company operates in an ever evolving and dynamic technology environment with emerging new classes of buyers within the enterprise, giving rise to entirely new business models and therefore, new kinds of competitors. This is resulting in increased demands on the Company's agility to keep pace with the changing customer expectations. Failure to cope may result in loss of market share and impact business growth.</p>	<p>The Company is continually investing in Digital and has developed competencies in various technologies, platforms, and operating environment and offers the wide range of technology options to clients to choose from, for their business needs. The Company also looks for suitable acquisitions with a view to keep pace with the latest developments in the technology space augment portfolio of services to clients. The Company continuously updates itself in terms of various emerging technologies and trains its resources suitably to stay abreast of futuristic technologies and thus avoid technological obsolescence.</p>
<p><b>International Exposure</b></p> <p>Since the Company headquarters is located in India it could result in regulatory, visa and tax complications, leading to unexpected delays in performing contractual obligations and potential non-compliance of local laws of the respective countries company conducts business in.</p>	<p>Company's management understands the environments prevalent in the respective countries systematically. With the help from experts and professional agencies, the Company has undertaken appropriate measures which has helped reduce exposure to these risks.</p>
<p><b>Geographical Concentration</b></p> <p>Concentration of revenue from a particular country exposes the Company to the risks specific to its economic conditions, trade policies, local laws, political environment and work culture.</p>	<p>While US continues to be the major revenue generating territory, the Company's operations in South Africa and Europe also make significant contribution to the aggregate.</p>
<p><b>Client Concentration</b></p> <p>Excessive exposure to particular clients has the potential to limit the Company's negotiating capacity and any unfavorable change in client business may result in sudden downfall in the Company's revenue as well as profits.</p>	<p>The Company is constantly de-risking by soliciting customers from different verticals and geographies.</p>
<p><b>Human Resource</b></p> <p>Global economy has made available more and more opportunities to skilled human resource. Due to resource intensive business model, IT service organizations are heavily impacted by this inherent risk. In India, there is uptick in attrition in companies operating in IT Industry. Better opportunities in Market place leads to attrition in human resources, which could drain valuable knowledge and customer experience and, hence, potentially have an adverse impact on revenues.</p>	<p>The Company continuously creates and maintains a pool of world-class resources by recruiting best talents, imparting efficient &amp; effective training, blending them into productive resources by creating challenging opportunities on projects. The Company endeavors to provide career options of its employees in order to groom them to assume larger roles and increased responsibilities. The Company also undertakes surveys and feedback from employees to create better working environment as well as number of initiatives are taken to make Zensar a great place to work.</p>
<p><b>Foreign Currencies</b></p> <p>Global economic situation continues to remain volatile. Fluctuations in major currencies due to unstable economic conditions impacts revenue and profits of the IT industry. This trend is expected to continue in near to medium term with added complexity of cross -currency movements.</p>	<p>The Company has in place a Hedging Policy to minimize the risks associated with foreign currency rate fluctuations. The Company has a mechanism to monitor and review the effectiveness of its hedging policy on a regular basis to minimize the risk of currency fluctuations.</p>

## ANNEXURE F TO THE BOARD'S REPORT Contd.

In addition to the risks mentioned in the aforesaid paragraphs, there are multiple other risks that the Company considers and manages. The Board and the management team assesses the operations and operating environment on an ongoing basis to identify potential risks and devise appropriate mitigation plans.

However, the shareholders/investors may note that despite the best efforts to minimize the risks there are certain risk(s) which will always be present / arise and may adversely impact the Company, should they materialize.

### INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Compliance with best of the class practices and regular management oversight make the internal controls strong. Strong internal controls minimize the risk of frauds by introducing effective checks and balances into the financial system. The Audit Committee along with Management oversees financial controls and their implementation on a regular basis. The Company has engaged one of the leading audit and risk advisory firms, as the internal auditors, which regularly presents its reports to the Audit Committee.

### FINANCIAL MANAGEMENT

Accounting principles consistently used in the preparation of financial statements are also consistently applied to record income and expenditure in individual segments.

#### 1. REVENUE

Revenue for the year ended 31st March 2018 is as under:

##### A. BY SEGMENTS

SEGMENT	2017-18	2016-17
Application Management Services	2,59,118	2,39,860
Infrastructure Management Services	51,657	65,699
<b>Total</b>	<b>3,10,775</b>	<b>3,05,559</b>

##### B. BY GEOGRAPHY

Geography	2017-18	2016-17
United States of America	2,21,438	2,20,971
Europe	43,278	35,514
Rest of the world	46,058	49,074
<b>Total</b>	<b>3,10,775</b>	<b>3,05,559</b>

#### C. BY LOCATION

INR Lakhs

Location	2017-18	2016-17
Onsite	63%	66%
Offshore	37%	34%
<b>Total</b>	<b>100%</b>	<b>100%</b>

#### 2. OTHER INCOME

Other Income comprises dividends from mutual fund investments, interest on bank deposits, profit on sale of investments, net gain on financial assets mandatorily measured at fair value, interest on security deposit, net foreign exchange gain & loss on share buyback liability. Other income during the current year was INR 7,439 Lakhs as against INR 2,406 Lakhs in the previous year.

#### 3. SHARE CAPITAL

During the year, Company has allotted total 1,16,450 equity shares fully paid up of INR 10/- each. Out of these, 10,550 equity shares were allotted under "2002 Employees Stock Option Scheme" and 1,05,900 of equity shares were allotted under "2006 Employees Stock Option Scheme".

#### 4. RESERVES AND SURPLUS

The Company's Reserves and Surplus as on 31st March 2018 were INR 1,60,512 Lakhs as against INR 1,42,118 Lakhs as on 31st March 2017.

The Company's Other Reserves as on 31st March 2018 were INR 1,879 Lakhs as against INR 551 Lakhs as on 31st March 2017.

#### 5. NON-CURRENT BORROWINGS

As of 31st March 2018, Non-current (long term) borrowings were INR 595 Lakhs (Previous year INR 26 Lakhs) which relates to Finance lease liabilities.

The portion of current maturities of long term loan amounting to INR 340 Lakhs (Previous year: INR 351 Lakhs) which is payable within twelve months, is shown under Other financial Liabilities.

#### 6. CURRENT BORROWINGS

As of 31st March 2018, Current borrowings (Short term) borrowings is Nil. Previous year ended 31st March, 2017, it was INR 13,029 Lakhs.

#### 7. FIXED ASSETS

During the year there is an addition of INR 4,647 Lakhs in Tangible Fixed Asset and addition of INR 6,241 Lakhs in intangible asset.

## ANNEXURE F TO THE BOARD'S REPORT Contd.

### 8. RETURN ON CAPITAL EMPLOYED

The return on capital employed (ROCE) for the year 2017-18 is 22%.

### 9. DEBTORS

The position of outstanding debtors was:

INR Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Considered Good	64,226	53,317
Considered Doubtful	7,611	4,866
Allowances for Credit losses	(7,611)	(4,866)
<b>Total Receivables</b>	<b>64,226</b>	<b>53,317</b>

### 10. CASH AND BANK BALANCES

The Cash and Bank Balances represent the Company's balances in banks in India and overseas. The Company also retains funds in the Exchange Earners Foreign Currency (EEFC) account in India, which is mainly used to meet the remittance requirements of the Company's branches and also for travel purposes. The Company possessed cash and bank balances (India and overseas excluding unpaid dividend) of INR 20,416 Lakhs as on 31st March, 2018.

### 11. OTHER CURRENT ASSETS

Other Current Assets of INR 7,114 Lakhs consist mainly of prepaid expenses, advances to suppliers and statutory receivables as on 31st March 2018.

### 12. OTHER FINANCIAL ASSETS

The Other Financial Assets comprise unbilled revenue, foreign exchange forward contracts and security deposits amounting to INR 30,681 Lakhs (Previous Year: INR 27,048 Lakhs) as on 31st March, 2018.

### 13. OTHER CURRENT LIABILITIES

Other Current liabilities amounting to INR 12,231 Lakhs (Previous year INR 10,711 Lakhs) represent mainly payments due to unearned revenue, employee contributions towards provident & pension fund, statutory taxes.

### 14. TAX EXPENSE

The Company's income-tax expenses are INR 10,508 Lakhs (Previous year INR 11,025 Lakhs).

### 15. CONTINGENT LIABILITIES

Contingent Liabilities have been disclosed in Note 32 in the "Consolidated Financial Statement - Notes to the Accounts".

Accounting principles consistently used in the preparation of financial statements are also consistently applied to record income and expenditure in individual segments.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Talent Management practices focus on engaging, developing and retaining the talent pool. The industry is rapidly changing. These changes require the Company to gear up and reenergize the pillars of Zensar - the vision, the strategy and the values.

#### Vision:

Leaders in business transformation.

#### Mission:

We will be the best in delivering innovative industry-focused solutions with measurable business outcomes.

#### Values:

- Customer Centricity
- Commitment to People and Community
- Continuous Innovation and Excellence

Extensive initiatives such as different types of induction programs for different levels of associates, global webcasts, workshops and e-mail campaigns for new hires have been undertaken across global locations to disseminate the Vision, Mission and Values.

#### HR Digitalization

The Company embarked on a journey to make HR 100% digitalized. This has ensured that all HR process are available to associates on hand held devices at all the time. It also provides leaders access to HR metrics to make informed decision.

#### Organization and Management Review (OMR)

OMR is comprehensive process to review the organization structure and incumbents of key roles in the structure to ensure alignment to the overall strategy of the Company. This process also includes succession planning and development planning for high potential associates.

#### Employer of Choice

Over the last three years, significant steps have been taken towards making Zensar- an Employer of Choice and thereby measure associate engagement. The Company partnered with Great Place to Work Institute, a globally recognized and widely used platform, to measure associate engagement. The Great Place to Work model

## ANNEXURE F TO THE BOARD'S REPORT Contd.

measures engagement levels of associates through the levels of Trust, Pride, Respect, Fairness and Camaraderie prevalent in the organization. This year survey witnessed 81% participation from associates globally.

### Associate Engagement Framework

It is a framework that identifies the drivers of Associate Engagement in the Company. These drivers work to build a sense of connect between associates and the organization. Each driver of Associate Engagement is reflected in a list of actions that associates can expect to experience across locations, countries & regions. It affords multiple platforms and avenues to communicate with the managers, leaders and business enabling functions.

### Celebrating Diversity

Diversity in the workplace is a norm and seen as an investment towards building a better business. As an organization where one of the core value is Commitment to People and Community the diversity program embraces associates of different gender, age, nationality, backgrounds, experiences, physical ability, skill sets, expertise and supports them to work collaboratively by creating a culture of Inclusivity.

Diversity is implemented through the following initiatives:

- **Advancement of women:** In FY 2017-18, Gender diversity stands at 27%. Policies aimed at understanding the needs of women employees. A strong team within the organization called ZenWEN and the group, RPG Diversity forum called WE @ RPG, is focused towards advancement of women. The Company has policies like special referral bonus for hiring women candidates, 26 weeks maternity leave, extended maternity leave for critical cases, adoption leave, surrogacy leave, sabbatical for 1 year to address priority personal needs, flexible working hours, work from home and virtual work place that allow women to balance their work life and personal life and also, meet their career aspirations.
- **Equal employment opportunity:** Company strives at all times to identify and recruit the most diverse pool of qualified candidates. There is a special focus on hiring Women associates at all levels. All the policies work-life balance are available to both men and women associates in the organization. There is equal emphasis on hiring locally in USA, UK & SA regions to strengthen the diverse workforce for the growth of the organization.
- **Integration of people with disability:** There is a program which facilitates recruitment of people with disability. The basic infrastructure is in place

like 'ramps' built at the entrance of each office building to support the differently abled associates to move around the work area, 'wheel chairs' at the entrance of the building to help the differently abled associates to their work area, on request. There are 0.2% of associates who are differently abled.

- **Cultural acceptance:** The individuality, creativity, innovation and flexibility are celebrated. This creates enormous diversity which brings in 'world culture' to the organization and equips it to be a true transformation partner to global corporations. Company hires people who have the personality, talent, and background necessary to fill a given job profile, regardless of race, color and creed. With new units like Foolproof, Keystone and Cynosure getting added cultural integration has been the key focus in all the actions. Today there are associates from 32 different nationalities working across locations.
- **Participations in the United Nations Global Compact:** The Company is a proud participant of United Nations Global Compact and committed to align strategies to advance the ten principles and conduct business with respect to the sustainable development goals, with a focus on education, employability, women empowerment and environment. The CSR activities are directly impacting many lives through initiatives in employability, digital literacy, environment, and through active volunteering of employees. The Company is pursuing a focused charter (ZenWen) to build an organization that is led by balanced leadership. The Company's women executive board (WEN) is focused on identifying and raising women leaders from within existing associates. The WEN drives organizational initiatives for attracting diverse women talent and nurturing their growth at every step of their respective careers. The ZenWen charter is composed of female and male representatives from various functions and geographies and is governed through a mobile app, giving the associates a digital platform to facilitate communication and enabling the tracking of goals and objectives that are set for this charter.
- **Zensarians Around the world:** By attracting, retaining, and developing the very best talent, increasing employee engagement and productivity, delivering to the customer, together as one team, seizing opportunities for creative problem-solving and innovation, growing our business through informed understanding of the diverse markets in which the Company operates, it harnesses diversity to maximize the business opportunities.

## ANNEXURE F TO THE BOARD'S REPORT **Contd.**

### CAUTIONARY STATEMENT

This Report to the Shareholders is in compliance with the Corporate Governance Standard incorporated in the Listing Agreement with the Stock Exchanges and as such cannot be construed as holding out for any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities laws and regulations. This Report furnishes information as laid down within the different headings provided under the sub-head Management Discussion and Analysis, *inter-alia*, to meet the Listing Agreement requirements.

Management Discussion and analysis has been prepared on the basis of consolidated financials of the Company to give a comprehensive view of the business.

For and on behalf of the Board

Place: Mumbai  
Dated: 24th April, 2018

Sd/-  
**H. V. Goenka**  
Chairman

# ANNEXURE G TO THE BOARD'S REPORT

Form No. MR-3

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Zensar Technologies Limited  
Zensar Knowledge Park Plot No.4  
Kharadi MIDC off Nagar Road,  
Pune - 411014

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zensar Technologies Limited. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder (in so far as they are made applicable);
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the Company during the Audit Period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period).
- VI. The specific laws applicable to the Company:
- a) Special Economic Zone Act, 2005 and the Rules made thereunder;
  - b) Trade Mark Act, 1999 and the Rules made thereunder;
  - c) Information Technology Act, 2000 and the Rules made thereunder;

## ANNEXURE G TO THE BOARD'S REPORT Contd.

- d) Policy relating to Software Technology Parks of India and its Regulations;
  - e) The Export and Import Policy of India;
- VII. We have also examined compliance with the applicable clauses and regulations of the following:
- VIII. Applicable Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- IX. (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- X. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following
- XI. *The Company has not appointed women Director for the period from 03rd October, 2017 to 17th January, 2018 as required under the provisions of Section 149 of the Act read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.*

### We further report that

Subject to our observation in point (i) above, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further

Information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### We further report that during the audit period:

1. In the Annual General Meeting held on 19th July, 2017 special resolution was passed for the adoption of new set of Articles of Association of the Company.
2. The Company had incorporated three wholly owned subsidiaries in India viz. Zensar Software Technologies Limited and Zensar Information Technologies Limited, Zensar IT Services Limited during the year. Further, wholly owned subsidiary of the Company, viz. Zensar Technologies (Singapore) Pte. Ltd has incorporated a step down subsidiary viz. Zensar Info Technologies (Singapore) Pte. Ltd in Singapore (wholly owned subsidiaries).
3. Board of Directors have approved the transfer of certain business in the identified geographies viz. Australia, Middle East (Dubai) and Singapore to the wholly owned subsidiaries of the Company by way of slump sale.
4. Pursuant to approval of the Board, Project Cardinal Committee approved the drafts and execution of and definitive share purchase agreement for acquisition of Cynosure Interface Solutions Private Limited, India by Zensar Technologies Limited, India and taken note of definitive share purchase agreement for acquisition of Cynosure Inc., USA by Zensar Technologies Inc.

Effective April 10, 2018 and April 13, 2018, Cynosure India and Cynosure USA have become Subsidiaries of Zensar India and Zensar USA respectively.

Place: Pune  
Date: April 24, 2018

For **SVD & Associates**  
Company Secretaries

**S. V. Deulkar**  
Partner  
FCS No. 1321  
C P No. 965

**Note:** This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

## ANNEXURE G TO THE BOARD'S REPORT Contd.

'ANNEXURE A'

To,  
The Members,  
Zensar Technologies Limited  
Zensar Knowledge Park Plot No.4  
Kharadi MIDC off Nagar Road,  
Pune - 411014

Our Secretarial Audit Report of even date is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune  
Date: April 24, 2018

For **SVD & Associates**  
Company Secretaries

**S. V. Deulkar**  
Partner  
FCS No.: 1321  
C P No.: 965

# ANNEXURE H TO THE BOARD'S REPORT

## REPORT ON CORPORATE GOVERNANCE

### Company's Corporate Governance Philosophy

Corporate Governance is a set of systems, policies and practices deep-rooted in the Company's philosophy to ensure that the affairs are being managed in a way which affords accountability, transparency, fairness in all its transactions with all its stakeholders. The Company believes that good governance practices stem from the culture and mind-set of the organization. Effective corporate governance is the strong foundation on which commercial enterprises are built and succeed. The Company's philosophy of Corporate Governance, that of timely disclosures, transparent accounting policies and a strong and Independent Board, goes a long way in preserving all stakeholders' interest, while maximizing long-term shareholder worth.

A report, *inter-alia*, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") for the year ended 31st March, 2018 is given below:

#### 1. Board of Directors:

##### A. Size and Composition of Board:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience.

Good Governance cannot be imposed from the outside. It must come from within hence the Board of Directors, at the apex of a Company's corporate governance structure, is the key factor to ensure highest standards of corporate governance. Their contribution is immensely important for ensuring appropriate directions with regard to leadership, vision, strategy, policy making, monitoring and

achieving greater levels of performance. The Company's Board of Directors is characterized by Independence, professionalism, transparency in decision making and accountability. It comprises optimum combination of Executive and Non-Executive Directors, each of whom adds value and brings independent view in the decision-making process. As per statutory requirements, Company has duly constituted Board consisting an optimum mix of Executive, Non-executive and Independent Directors.

As on 31st March, 2018, the Board comprises of eleven Directors, one of which is Executive Director and ten are Non-Executive Directors. The Company has a Non-Executive Chairman from the Promoter Group.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding directorships/committee positions have been made by all the Directors. None of the Directors is related to another.

##### B. Board Meetings:

The Board of Directors of the Company met five times during the FY 2017-18 as detailed below:

Sr. No.	Date	Sr. No.	Date
1	25th April, 2017	3	03rd November, 2017
2	20th July, 2017	4	18th January, 2018
5	14th March, 2018		

## ANNEXURE H TO THE BOARD'S REPORT Contd.

Composition of the Board and other Directorship / Membership of Committees held as on 31st March, 2018 along with Attendance of Board Meeting/AGM during the year are given below:

Sr. No.	Name of Director	Category	Date of Appointment	Attendance in Board Meetings during 2017-18	Attendance in last AGM	Other Boards / Committees		
						Directorships	Committee*	
							Member	Chairman
1	Mr. H. V. Goenka	Chairman Non-Independent Non- Executive Director	04.09.2001	5	No	6	NIL	NIL
2	Mr. Sandeep Kishore	Chief Executive Officer and Managing Director	12.01.2016	5	Yes	1	NIL	NIL
3	Mr. Arvind Agrawal	Non-Executive Non Independent Director	29.01.2002	5	No	NIL	NIL	NIL
4	Mr. Shashank Singh	Non-Executive Non Independent Director nominee Director	20.10.2015	4	No	2	NIL	NIL
5	Mr. A.T. Vaswani	Non Executive Independent Director	09.02.1996	5	Yes	2	1	2
6	Mr. Venkatesh Kasturirangan	Non Executive Independent Director	28.01.2008	5	Yes	NIL	NIL	NIL
7	Mr. Sudip Nandy	Non Executive Independent Director	15.07.2015	5	Yes	NIL	NIL	NIL
8	Mr. Ben Druskin	Additional and Non Executive Independent Director	03.11.2017	3	N.A.	NIL	NIL	NIL
9	Mr. Ketan Dalal	Additional and Non Executive Independent Director	03.11.2017	3	N.A.	2	1	NIL
10	Ms. Tanuja Randery	Additional and Non Executive Independent Director	18.01.2018	2	N.A.	NIL	NIL	NIL
11	Mr. Harsh Mariwala	Additional and Non Executive Independent Director	18.01.2018	1	N.A.	8	1	NIL

\* This number excludes the directorships / committee memberships held in Zensar Technologies Limited, Private Limited Companies, Companies registered under Section 8 of the Companies Act, 2013. In accordance with the provisions of Listing Regulations, Memberships/ Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Zensar Technologies Limited) have been considered.

## ANNEXURE H TO THE BOARD'S REPORT Contd.

### Information placed before the Board:

Agenda papers along with detailed notes being circulated in advance of each meeting of the Board. Information pursuant to Corporate Governance practices as required under Listing Regulations are made available to the Board from time to time.

The Company periodically places Compliance Reports / Certificates with respect to applicable laws before the Board of Directors for its review.

Directors with material pecuniary or business relationship with the Company:

The Company did not have any material pecuniary relationship or transactions with its Non-Executive and/ or Independent Directors per-se during the year under review except payment of sitting fees and commission as disclosed in this report.

### 2. Audit Committee:

#### A. Composition:

The composition of the Committee complies, *inter-alia*, with the requirements of Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. The composition of Audit Committee is as below:

S. No.	Name of the Director	Designation
1	Mr. A. T. Vaswani	Chairman
2	Mr. Sudip Nandy	Member
3	Mr. Shashank Singh	Member
4	Mr. Ketan Dalal	Member

All the members have relevant finance and audit exposure.

#### B. Meetings:

During the FY 2017-18, seven meetings of the Committee were held as detailed below:

Sr. No.	Date
1.	24th April, 2017
2.	19th July, 2017
3.	14th September, 2017
4.	03rd November, 2017
5.	12th December, 2017
6.	17th January, 2018
7.	15th March, 2018

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)	7
Mr. Sudip Nandy	6
Mr. Shashank Singh	4
Mr. Ketan Dalal <sup>^</sup>	2

<sup>^</sup> Mr. Ketan Dalal was appointed as a member w.e.f. 03rd November, 2017.

The Chairman of the Audit Committee was present at the 54th Annual General Meeting held on 19th July, 2017.

The Company Secretary acts as the Secretary to the Audit Committee. The Committee meetings are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditors. Chief Executive Officer and other executives of the Company also attend the meeting as and when required.

#### C. Terms of Reference:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of subsection 5 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices, and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.

## ANNEXURE H TO THE BOARD'S REPORT Contd.

- f. Disclosure of any related party transactions.
- g. Modified opinions in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the Statement of uses/application of funds raised through an issue (Public issue, rights issue, preferential issue etc.), the statement of funds utilized for purpose other than those stated in the offer document/prospectus/notice and the Report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. Monitoring the end use of funds raised through public offers and related matters;
7. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of dividends) and creditors;
8. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
10. Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors regarding any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board and Management Letters/ Letters of internal control weaknesses issued by the statutory auditors;
14. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern including review of management discussion and analysis of financial condition and results of operations;
15. Approval or any subsequent modification of transactions of the Company with related parties including review of statement of significant related

- party transactions submitted by the management;
16. Scrutiny of inter-corporate loans and investments;
17. Valuation of undertakings or assets of the Company, wherever it is necessary;
18. Evaluation of internal financial controls and risk management systems;
19. Establish a vigil mechanism for the directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimization and to review the functioning of the whistle blower mechanism;
20. To oversee Risk Management functions;
21. The appointment, removal and terms of remuneration of the chief internal auditor;
22. Quarterly Statement of deviation(s) including report of monitory agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
23. Carrying out functions as delegated by the Board of Directors from time to time;

### 3. Nomination and Remuneration Committee:

#### A. Composition:

The composition of the Committee complies, *inter-alia*, with the requirements of Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013.

The composition of Nomination and Remuneration Committee is as below:

Sr. No.	Name of the Director	Designation
1	Mr. A. T. Vaswani	Chairman
2	Mr. Sudip Nandy	Member
3	Mr. Arvind Agrawal	Member

#### B. Meetings:

During the FY 2017-18, Seven meetings of the Committee were held as detailed below:

Sr. No.	Date
1.	24th April, 2017
2.	20th July, 2017
3.	14th September, 2017
4.	03rd November, 2017
5.	24th November, 2017
6.	17th January, 2018
7.	05th March, 2018

## ANNEXURE H TO THE BOARD'S REPORT Contd.

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)	7
Mr. Arvind Agrawal	7
Mr. Sudip Nandy	5

### C. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. Formulate the criteria for evaluation of performance of every director and carrying out actual evaluation.
3. Determining the remuneration packages for Executive Director, the direct reports to the Managing Director /Chief Executive Officer.
4. Determine the quantum of commission payable to Non-Executive Directors.
5. Implementation of the Employees Stock Option Plan.
6. Allotment of shares consequent upon exercise of stock options.
7. Devising a policy on diversity of Board of Directors.
8. Whether to extend or continue the term of appointment of Independent Directors on the basis of report of performance evaluation of Independent Directors.
9. Carrying out functions as delegated by the Board of Directors from time to time.

### D. Nomination and Remuneration Policy:

The Board has approved Nomination and Remuneration Policy as recommended by Nomination and Remuneration Committee which forms part of Board's Report as Annexure B.

### E. Details of remuneration to all Directors:

1. Details of Remuneration of Managing Director(s):

Mr. Sandeep Kishore:

Mr. Sandeep Kishore, Chief Executive Officer and Managing Director is paid remuneration as per the terms recommended by the Nomination and Remuneration Committee, approved by the Board of Directors and Shareholders of the Company.

The summary of remuneration paid to Mr. Sandeep Kishore during year under review was as follows:

	Particulars	Amount in INR Lakhs*
(A)	Salary	12.88
(B)	Retirals	1.55

\* Excludes the value of employees stock options granted / exercised by Mr. Sandeep Kishore. There was no such exercise of options during the year under review.

As on 31st March, 2018, Mr. Sandeep Kishore held NIL Equity Shares of the Company. He holds 1,50,000 Performance Award Units (PAUs) granted under 'Zensar Technologies Limited - Employee Performance Award Unit Plan 2016 (EPAP 2016).

The details of service contracts and notice period are as under:

Name	Service contracts	Notice period
Mr. Sandeep Kishore, Chief Executive Officer and Managing Director	Period of service contract - 5 year(s), beginning 12th January, 2016	Six months' notice

### 2. Details of Remuneration of Non- Executive Directors:

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/ Committee within the limits as prescribed under the Companies Act, 2013.

The Non-Executive Directors are paid sitting fees as below:

Sr. No.	Type of Meeting	Sitting fees (per meeting / per director) in INR
1	Board Meeting	1,00,000.00
2	Audit Committee Meeting	50,000.00
3	Other Committee Meeting	5,000.00

The members of the Company at their 52nd Annual General Meeting held on 14th July, 2015 had approved payment of Remuneration to Non-Executive Directors by way of Commission not exceeding 1% of Company's net profit, for the respective financial year.

During the year under review, apart from the sitting fees paid for attending the meetings of the Board and the Committees, the Non-Executive Directors have been paid Commission after taking into account the qualifications, experience, time spent on strategic

## ANNEXURE H TO THE BOARD'S REPORT Contd.

matters and contribution to the Company. The said Commission was duly recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

### Remuneration to Non-Executive Directors:

Sr. No.	Name of the Director / Institution	Sitting fees paid during FY2017-18 (In Rupees)	Commission paid in FY 2017-18 for the FY 2016-17 (In Rupees)
1	Mr. H. V. Goenka	5,00,000	2,10,00,120
2	Mr. Venkatesh Kasturirangan	5,00,000	6,00,000
3	Mr. P. K. Mohapatra*	NIL	6,00,000
4	Mr. A.T. Vaswani	9,85,000	6,00,000
5	Ms. Madhabi Puri Buch**	NIL	6,00,000
6	Mr. Sudip Nandy	8,25,000	6,00,000
7	Mr. Shashank Singh / Marina Holdco (FPI) Ltd.	6,00,000	6,00,000
8	Mr. Arvind Agrawal	6,35,000	6,00,000
9	Mr. Ketan Dalal	4,00,000	0
10	Mr. Ben Druskin	3,00,000	0
11	Ms. Tanuja Randery	2,00,000	0
12	Mr. Harsh Mariwala	1,00,000	0
<b>Total</b>		<b>50,45,000</b>	<b>2,52,00,120</b>
<b>Grand Total</b>		<b>3,02,45,120</b>	

### Shareholding of Non-Executive Directors:

Name of the Non-Executive Director	No. of shares
Mr. H. V. Goenka	29,625
Mr. A. T. Vaswani	10,000
Mr. Harsh Mariwala	4,050

**Note:** Apart from above shareholdings, Mr. H V Goenka hold shares of the Company in the capacity of trustee as detailed in Annexure A to the Board's Report.

### 4. Stakeholders Relationship Committee:

#### A. Composition:

Sr. No.	Name of the Director	Designation
1	Mr. A. T. Vaswani	Chairman
2	Mr. Sandeep Kishore	Member
3	Mr. Arvind Agrawal	Member

The Committee meets at regular intervals in order to facilitate prompt and effective redressal of Shareholders' complaints, to effect transfers, transmissions and give approval for issue of duplicate share certificates/ name deletion etc. The Company in coordination with Registrars and Share Transfer Agent takes all necessary steps for prompt resolution of all Shareholder complaints and the Committee periodically reviews the reports of the same. With the intention of servicing the shareholders more expeditiously, the Committee has delegated the authority to approve transfers and transmissions and other incidental matters relating to the same up to 500 shares per transaction identified by a separate transfer number to the Company Secretary.

#### B. Meetings:

During the FY 2017-18, Eight Stakeholders Relationship Committee meetings were held as detailed below:

Sr. No.	Date
1.	25th April, 2017
2.	12th May, 2017
3.	08th August, 2017
4.	14th September, 2017
5.	13th October, 2017
6.	03rd November, 2017
7.	03rd January, 2018
8.	05th March, 2018

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)	8
Mr. Arvind Agrawal	8
Mr. Sandeep Kishore	2

## ANNEXURE H TO THE BOARD'S REPORT Contd.

### C. Terms of Reference:

The Terms of Reference of the Stakeholders Relationship Committee envisage the following:

1. The committee shall consider and resolve the grievances of security holders of the listed entity including complaints related to transfer of shares non-receipt of annual report and non-receipt of declared dividends.
2. To approve share/security transfer, transmission and deal with all incidental matters thereto;
3. To approve name rectification, deletion and consequent issuance of share/security certificates and deal with all incidental matters thereto;
4. To approve issuance of duplicate share/security certificate and deal with all incidental matters thereto;
5. To approve issuance of share/security certificate on consolidation, sub division, split;
6. To delegate authority with respect to all the above matters to officials of the Company, provided that this authority to approve shall not exceed 500 shares/security per transaction;
7. Review the system of dealing with and responding to correspondence from Shareholders/security holders;
8. Review, resolve and deal with complaints, grievances and responses to letters received from Stock Exchanges, SEBI and Ministry of Corporate Affairs and security holders;
9. To approve format of share/security certificate as and when required.

The details of Shareholders Complaints received and attended during the FY 2017-18 are as follows:-

Nature of Complaint	FY 2017-18	
	Received	Attended
Non-receipt of Bonus Shares	3	3
Non-receipt of DEMAT Credit	1	1
Non-receipt of Dividend Warrant	14	14
SEBI	5	5
Total	23	23

There were no pending complaints as on 31st March, 2018.

### 5. Corporate Social Responsibility Committee:

The Company has constituted the 'Corporate Social Responsibility Committee (CSR Committee) under Section 135 of the Companies Act, 2013.

### A. Composition:

The composition of Corporate Social Responsibility Committee is as below:

Sr. No.	Name of the Director	Designation
1	Mr. Arvind Agrawal	Chairman
2	Mr. A. T. Vaswani	Member
3	Mr. Sandeep Kishore	Member

### B. Meetings:

During the FY 2017-18 four meetings of the Corporate Social Responsibility Committee were held, as detailed below:

Sr. No.	Date
1.	24th April, 2017
2.	14th September, 2017
3.	03rd January, 2018
4.	05th March, 2018

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. Arvind Agrawal (Chairman)	4
Mr. Sandeep Kishore	NIL
Mr. A. T. Vaswani	4

### C. Terms of Reference:

The Terms of Reference of the Corporate Social Responsibility Committee envisage the following:

- Formulate and recommend a Corporate Social Responsibility Policy to the Board.
- Recommend the amount of expenditure to be incurred on the activities.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company which would form a part of CSR Policy.
- Monitor CSR Policy of the Company.

### 6. Banking Committee:

The Company has constituted the Banking Committee to delegate the matters regarding opening and closing of bank accounts in India and abroad, change in signatories to existing bank accounts, review of treasury operations, etc.

## ANNEXURE H TO THE BOARD'S REPORT Contd.

### A. Composition:

The composition of Banking Committee is as below:

Sr. No.	Name of the Director	Designation
1	Mr. A. T. Vaswani	Chairman
2	Mr. Sandeep Kishore	Member
3	Mr. Arvind Agrawal	Member

### B. Meetings:

During the FY 2017-18, Eight Banking Committee meetings were held as detailed below:

Sr. No.	Date
1.	04th April, 2017
2.	12th May, 2017
3.	27th June, 2017
4.	08th August, 2017
5.	13th October, 2017
6.	03rd January, 2018
7.	18th January, 2018
8.	05th March, 2018

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)	8
Mr. Sandeep Kishore	1
Mr. Arvind Agrawal	8

### C. Terms of Reference:

The Terms of Reference of the Banking Committee envisage the following:

- Authorizing opening and closure of all types of Bank Accounts (including EEFC Account) in India and Overseas;
- Authorizing new signatories and/or change, removal of existing authorized signatories in relation to Bank accounts, loans (granted and availed), working capital facilities and all other types of borrowings;
- Defining / amending signing powers of new / existing authorized signatories in relation to Bank accounts loans (granted and availed), working capital facilities and all other types of borrowings;

- Authorizing new signatories and/or change, removal of existing authorized dealers and / or signatories to undertake, book, execute foreign exchange transaction, foreign exchange forward contracts and option derivatives and execute agreements / documents in this regard;
- Review of Treasury Operations;
- Authorizing new signatories and / or change, removal of existing authorized signatories for making investment of surplus funds of the Company within the overall limit specified by the Board from time to time.

Further, the Board, from time to time, constitutes administrative committee(s) comprising of such number of directors as it deems fit for administration / monitoring certain business matters. Such committees are for specific purpose only and may get dissolved, once the designated tasks are complete.

### 7. Meeting of Independent Directors:

During the year under review, the Independent Directors met on 13th March, 2018, *inter-alia*, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations. All the Independent Directors were present at the Meeting except Mr. Harsh Mariwala.

### Code of Conduct:

The Board of Directors of the Company has laid down a Code of Conduct for all its Members and Senior Management personnel of the Company. This Code of Conduct is uploaded on Company's website [www.zensar.com](http://www.zensar.com). The Directors and Senior Management have affirmed their compliance with the Code of Conduct for the FY 2017-18. A declaration from the Managing Director and Chief Executive Office confirming the above is annexed to this report.

### 8. FAMILIARIZATION PROGRAMME FOR DIRECTORS:

The Company through its Managing Director and other Senior Officials of the Company have presentations sessions periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such presentations provide an opportunity to the Independent Directors to interact with the Senior Officials of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources and such other areas as may arise from time to time.

The details of the Familiarization programme have been uploaded on the Company's website:

<https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/FAMILIARISATION%20PROGRAMMES%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

## ANNEXURE H TO THE BOARD'S REPORT Contd.

### 9. Details of previous Annual General Meetings and special resolutions passed at such Annual General Meetings:

Particulars	FY 2014-15	FY 2015-16	FY 2016-17
Date and Time	14th July, 2015 at 12.00 Noon	20th July, 2016 at 12.00 Noon	19th July, 2017 at 12.00 Noon
Venue	Registered Office of the Company at Zensar Knowledge Park, Plot # 4, Kharadi MIDC, Off Nagar Road, Pune 411014		

The following Special Resolutions were passed by Shareholders of the Company at the previous three Annual General Meetings:

- (i) In the Annual General Meeting held on 14th July, 2015
  - (a) Approval of Payment of Commission to Non-Executive Directors of the Company.
- (ii) In the Annual General Meeting held on. 20th July, 2016
  - (a) Cancellation of un-granted Stock Options from 2002 Employees Stock Option Plan;
  - (b) Addition of Performance Award Units to Employee Performance Award Unit Plan 2016.
- (iii) In the Annual General Meeting held on 19th July, 2017
  - (a) Adoption of new set of Articles of Association

The Company has not conducted any postal ballot during the financial year under review.

### 10. Disclosures:

#### A. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee. Requisite approval(s) of the Audit Committee is obtained on periodic basis for the transactions which are repetitive in nature. The actual transactions entered into pursuant to the approval so granted are placed at quarterly meetings of the Audit Committee.

The transactions with the related parties are disclosed in the Note No. 27 of the Annual Accounts in compliance with Accounting Standard 18 relating to "Related Party Disclosures" and Companies Act, 2013 read with Rules thereunder and Listing Regulations. The Board has approved a 'Policy on Related Party Transactions' web link of which forms part of BOARD'S REPORT.

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

#### B. Statutory Compliance, Penalties and Strictures:

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

#### C. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee:

The Board of Directors has adopted Whistle Blower Policy. All Associates of the Company are free to approach the Audit Committee of the Company and none of them has been denied access to the Audit Committee during the year under review. The Whistle Blower Policy's web link forms part of BOARD'S REPORT.

#### D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with all mandatory requirements laid down by Listing Regulations. The Company has also complied with some of the non-mandatory requirements such as updating Shareholders about the financial performance of the Company including summary of the significant events on quarterly basis, Separate posts of Chairman and Managing Director, Reporting of Internal Auditor directly to the Audit Committee.

### 9. Means of Communication

- The quarterly, half-yearly and Annual Consolidated Financial Results are published in widely circulated newspapers such as Business Standard / Economic Times, Prabhat / Maharashtra Times, etc. in terms of the Listing Regulations.
- The Company organizes press meets / Analyst's meets to apprise and make public the information relating to the Company's working and future outlook. The transcripts of the same are uploaded on the Company's website namely [www.zensar.com](http://www.zensar.com)
- Official Press releases are also hosted on Company's website [www.zensar.com](http://www.zensar.com)

## ANNEXURE H TO THE BOARD'S REPORT Contd.

- The Financial Results and presentations made to institutional investors or analysts are displayed on the Company's website www.zensar.com
- The Company's website is updated periodically to include information on new developments and business opportunities of the Company.
- The Company hosts quarterly investor updates on its website www.zensar.com to keep its shareholders informed about important developments in the Company.
- The investors can contact the Company on the email id investor@zensar.com.
- Management discussion and analysis forms part of this Annual Report.
- The Company has as per Green initiatives taken by Ministry of Corporate Affairs, invited the members to register their e mail addresses with the Company so that all communications / documents including the Notice calling the Annual General Meeting and other General Meeting of the members along with explanatory statement(s) thereto, Balance Sheets, Board's Reports, Auditor's Reports etc., can be sent to them in electronic mode.

### 11. General Shareholder information:

- 1. Annual General Meeting:** The Annual General Meeting of the Company will be held on Wednesday, August 08, 2018 at the registered office of the Company at 12.00 Noon.
- 2. Financial Year:** 1st April, 2017 to 31st March, 2018
- 3. Book Closure Dates:** The Company's Register of Members and Share Transfer Books will remain closed for the purpose of dividend from 1st August, 2018 to 8th August, 2018. (Both days inclusive).
- 4. Dividend payment:** The Board of Directors have recommended final dividend of INR 7/- per equity share of INR 10/- each for the financial year 2017-18. Further, during the financial year 2017-18, the Board of Directors declared an Interim Dividends at the rate of INR 5/- per equity share of INR.10/- each, which was paid on 14th February, 2018.

### 5. Financial calendar (tentative and subject to change):

Event	Due Date
Financial reporting for the quarter ending 30th June, 2018	15th August, 2018
Financial reporting for the quarter ending 30th September, 2018	15th November, 2018
Financial reporting for the quarter ending 31st December, 2018	15th February, 2019
Financial reporting for the quarter ending 31st March, 2019	30th May, 2019 (Audited)
56th Annual General Meeting for the year ending 31st March, 2019	30th September, 2019

### 6. Listing on Stock Exchanges: The Company's Equity Shares are listed on the following Stock Exchanges:

- BSE Limited, Phiroze JeeJeebhoy Towers Dalal Street, Mumbai 400 001. (BSE)
- National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex Bandra (E), Mumbai 400 051 (NSE)

### Stock Code:

BSE	504067
NSE	ZENSARTECH
ISIN in NSDL and CDSL	INE520A01019

Listing fees have been paid for the FY 2017-18.

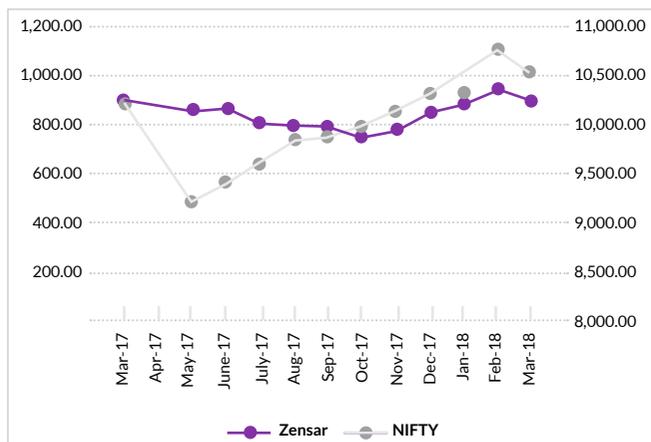
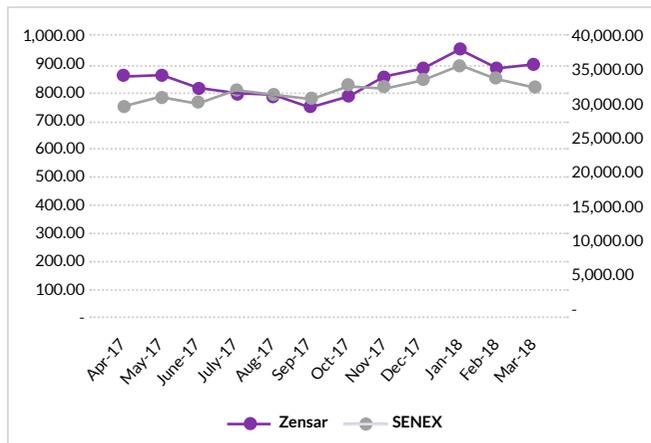
## ANNEXURE H TO THE BOARD'S REPORT Contd.

### 7. Market Price Data: High/ low, Number of shares traded during each month in the last Financial Year:

Period	BSE Limited					National Stock Exchange of India Limited				
	High INR	Low INR	Close INR	Total Traded Quantity	Sensex	High INR	Low INR	Close INR	Total Traded Quantity	Nifty
Apr-17	933.55	814.25	862.85	77,296	29,918.40	935.00	815.10	865.20	5,61,049	9,214.57
May-17	919.00	857.40	863.80	2,32,808	31,145.80	920.00	855.00	865.90	5,25,910	9,436.99
Jun-17	882.50	810.00	816.10	13,450	30,921.61	883.95	807.30	813.50	2,37,795	9,606.95
Jul-17	840.00	790.00	803.40	31,550	32,514.94	840.00	785.00	800.25	2,70,951	9,850.12
Aug-17	888.80	770.15	791.65	4,78,397	31,730.49	889.00	770.00	794.40	8,16,598	9,901.18
Sep-17	809.00	738.10	748.80	25,646	31,283.72	805.95	739.95	749.75	2,88,634	9,977.92
Oct-17	812.05	735.50	791.10	27,205	33,213.13	810.00	732.00	791.55	1,95,865	10,138.68
Nov-17	888.00	767.85	853.15	43,057	33,149.35	889.00	768.10	854.70	4,15,673	10,324.75
Dec-17	896.00	812.00	888.55	17,821	34,056.83	900.00	802.00	890.55	1,32,061	10,322.26
Jan-18	1,000.00	850.00	950.40	70,623	35,965.02	997.00	850.05	953.45	5,68,669	10,771.15
Feb-18	958.80	729.90	886.90	72,757	34,184.04	975.00	868.15	893.25	2,28,676	10,533.11
Mar-18	949.00	858.15	900.75	2,58,097	32,968.68	947.00	857.00	901.25	1,70,724	10,232.62

Source – Websites: BSE Ltd. (www.bseindia.com) and The National Stock Exchange of India Ltd. (www.nseindia.com)

A performance chart showing Share Price of the Company in comparison with SENSEX as well as Nifty during the year 2017-18 is as below:



**8. Registrar and Share Transfer Agent:-** M/s. Bigshare Services Private Limited, is acting as the Registrar and Share Transfer Agents for the shares of the Company held in both physical and electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Share Registrar and Transfer Agents at the address given below:-

#### Bigshare Services Private Limited

Address: Bharat Tin Works Building, 1st Floor,  
Opp. Vasant Oasis, Next to Keys Hotel,  
Marol Maroshi Road, Andheri – East,  
Mumbai – 400059 Maharashtra India

The details of the concerned person in Bigshare Services Private Limited are as under:-

Name	Ms. Ujata Pokharkar / Ms. Charul Bhalla
Telephone no.	022-62638200/222/223
E-mail ID	investor@bigshareonline.com
Fax No.	022-62638299

**9. Share Transfer System:** To expedite the transfer in physical mode, authority has been delegated to Stakeholders Relationship Committee of the Board. The Committee considers requests for transfers, transmission of shares, issue of duplicate certificates,

## ANNEXURE H TO THE BOARD'S REPORT Contd.

issue of certificates on split/consolidation/ renewal etc. and the same are processed and delivered within 15 days of lodgment if the documents are complete in all respects. In compliance with the listing Guidelines, every six months, the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

**10. Distribution Schedule:** As of 31st March, 2018 the distribution of the Company's shareholding was as follows:

No. of equity Shares held	As on 31st March, 2018			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share-holding
1- 5,000	20,742	99.4010	34,01,484	7.5605
5,001 -10,000	50	0.2396	3,47,324	0.7720
10,001-20,000	25	0.1198	3,61,058	0.8025
20,001-30,000	14	0.0671	3,44,136	0.7649
30,001-40,000	7	0.0335	2,41,047	0.5358
40,001-50,000	2	0.0096	88,864	0.1975
50,001-1,00,000	4	0.0192	2,92,537	0.6502
1,00,001 & above	23	0.1102	3,99,13,638	88.7165
Total	20,867	100.0000	4,49,90,088	100.0000

**11. Dematerialization of shares and liquidity:**

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL). The status of dematerialization of shares as on 31st March, 2018 is as under:

Particulars	No. of shares	% of total capital issued
Held in dematerialized form in CDSL	14,98,568	3.33
Held in dematerialized form in NSDL	4,29,92,624	95.56
Physical	4,98,896	1.11
Total	4,49,90,088	100.00

**12. Shareholding pattern:**

Details of Shareholding as on 31st March, 2018 was as under:

Category	As on 31st March, 2018			
	No. of Share holders	% Share holders	No. of Shares held	% Share holding
Promoters	13	0.06	2,19,92,212	48.88
Mutual Funds, Financial Institutions, Banks Insurance Companies, FII's, Foreign Portfolio Investors, NBFCs registered with RBI	99	0.49	78,54,709	17.46
Individual Shareholders	19,471	95.53	35,08,537	7.8
Bodies Corporate	280	1.37	6,02,165	1.34
NRI's & Overseas Corporate Bodies	447	2.19	1,05,21,142	23.39
Central Government	1	0	1,39,457	0.31
Public Others	72	0.35	3,71,866	0.83
<b>Total</b>	<b>20,383</b>	<b>100</b>	<b>4,49,90,088</b>	<b>100</b>

**13. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments:**

As of 31st March 2018, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company except Stock Options granted under the 2002 Employees Stock Option Scheme and the 2006 Employees Stock Option Scheme, details of which have been disclosed in the BOARD'S REPORT.

**14. Foreign exchange risks and hedging activities:**

The Company manages the foreign exchange risk as per the relevant Board approved Policy. The foreign exchange and hedging details form part of the Notes to Accounts.

## ANNEXURE H TO THE BOARD'S REPORT Contd.

### 15. Training of Board members

During the year, the Board members were provided thorough insight about the business model of the Company through detailed presentations on the operational aspects of the Company's business. At every Board meeting, there are detailed business presentation(s) made which is useful to the Directors in understanding the business. The presentations are made by the respective business leader so that the Directors can familiarize with the leader and respective business/verticals and also ask them related questions. Efforts are also made to acquaint and train the Board members about the emerging trends in the industry. Further on a periodic basis external experts are invited to make presentations about important matters and emerging trends.

### 16. Secretarial Standards issued by the Institute of Company Secretaries of India

The Company complies with all the applicable Secretarial Standards.

### 17. Nomination:

Members can avail of nomination facility. Blank nomination forms will be supplied on request which is also available on the website of the Company under the Investor's section.

- Disclosure with respect to shares lying in suspense account:

Particulars	Shareholders	Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2017	1,322	74,130
Number of shareholders who approached the Company for transfer of shares from suspense account during the period 2017-18	1	50
Number of shareholders to whom the shares were transferred from the suspense account during the period 2017-18 (Shares transferred to IEPF)	981	49,326
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2018	341	24,804

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

## CODE OF CONDUCT

In tune with the corporate philosophy, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company in terms of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct is uploaded at Company's Website.

I hereby confirm that the Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct for the Financial Year 2017-18.

Mumbai  
Dated 24th April, 2018

**Sandeep Kishore**  
Chief Executive Officer and Managing Director

### 18. Address for Communication

Mr. Gaurav Tongia  
Company Secretary, Zensar Technologies Ltd.  
Zensar Knowledge Park, Kharadi, Plot # 4, MIDC,  
Off Nagar Road, Pune 411 014, India.  
Phone No. (020) 66074000,  
Fax No: (020) 66074433, Email: investor@zensar.com

### Other Shareholders related information:

### Provision of the Listing Regulations with respect to Unclaimed Shares

- In compliance with the amendment to Clause 5A of the Listing Agreement issued by SEBI, the Company has opened a DEMAT account in the name of "Zensar Technologies Limited- Unclaimed Securities Suspense Account" for the purpose of transferring the unclaimed shares. As per the said circular, the shares which remained unclaimed even after three reminders, were dematerialized and transferred to the above said DEMAT account in FY 2017-18.
- As and when any shareholder approaches the Company or the Registrar and Transfer Agent (RTA) to claim the above said shares, after proper verification, the shares lying in the Unclaimed suspense account shall either be credited to the DEMAT account of the shareholder or the physical certificates shall be delivered after rematerializing the same, depending on what has been opted by the Shareholder.

## ANNEXURE H TO THE BOARD'S REPORT Contd.

### CEO/CFO CERTIFICATION

We, Sandeep Kishore, Chief Executive Officer and Managing Director and Mr. Navneet Khandelwal, Chief Financial Officer of Zensar Technologies Ltd. hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2018 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Pune  
Dated: 24th April, 2018

**Sandeep Kishore**  
Chief Executive Officer and Managing Director

**Navneet Khandelwal**  
Chief Financial Officer

### CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

To,

The Members of Zensar Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Zensar Technologies Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2018 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SVD & Associate  
Company Secretaries

S. V. Deulkar  
Partner  
F.C.S. 1321  
C.P. No. 965

Date: 24th April, 2018  
Place: Pune

## ANNEXURE I TO THE BOARD'S REPORT

### THE DISCLOSURES IN COMPLIANCE WITH CLAUSE 14 SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
1	Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -			
(i)	Date of Shareholders' approval	25th June, 2002	27th July, 2006	22nd March, 2016
(ii)	Total number of options approved under ESOS	23,68,631	30,00,000	10,00,000
(iii)	Vesting requirements	Vesting over a period of 1 to 4 years from the date of grant based on time. End of Year 1 : 25% End of Year 2 : 25% End of Year 3 : 25% End of Year 4 : 25%	Vesting shall vest over a period of 1 to 5 years from the date of grant based on performance. End of Year 1 : 20% End of Year 2 : 20% End of Year 3 : 20% End of Year 4 : 20% End of Year 5 : 20%	Vesting or after 1 year from the Date of Grant but not later than 5 years from the Date of Grant or any other period as may be determined by the Nomination and Remuneration Committee.
	Exercise price or pricing formula	The Nomination and Remuneration Committee decides exercise price for the Stock Options based on the market price ie. the closing price on the Stock Exchange where trading volume is more on the previous day of the Compensation Committee Meeting held for granting of Stock Options. Compensation Committee may determine the Exercise Price at a premium or discount of a maximum of 20% on the market price.	The Nomination and Remuneration Committee decides exercise price for the Stock Options based on the market price ie. the closing price on the Stock Exchange where trading volume is more on the previous day of the Compensation Committee Meeting held for granting of Stock Options. Compensation Committee may determine the Exercise Price at a premium or discount of a maximum of 20% on the market price.	INR 10/- each

## ANNEXURE I TO THE BOARD'S REPORT Contd.

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
(v)	Maximum term of options granted	10 years from the date of respective vesting	10 years from the date of respective vesting	2.5 months from the end of calendar year in which Vesting happens.
(vi)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
(vii)	Variation in terms of options	NIL	NIL	NIL
2	Method used to account for ESOS - Intrinsic or fair value	Fair Value	Fair Value	Fair Value
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Not Applicable	Not Applicable	Not Applicable
4	Option movement during the year (For each ESOS):			
(i)	Number of options outstanding at the beginning of the period	43,950	7,88,678	2,53,818
(ii)	Number of options granted during the year	NIL	NIL	70,000
(iii)	Number of options forfeited / lapsed during the year	12,258	387,998	18,313
(iv)	Number of options vested during the year	NIL	62,396	NIL
(v)	Number of options exercised during the year	10,550	1,05,900	NIL
(vi)	Number of shares arising as a result of exercise of options	10,550	1,05,900	NIL

## ANNEXURE I TO THE BOARD'S REPORT Contd.

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
(vii)	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	INR 8,91,900/-	INR 2,47,81,234/-	NIL
(viii)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable
(ix)	Number of options outstanding at the end of the year	21,142	2,94,780	305,505
(x)	Number of options exercisable at the end of the year	21,142	200,380	NIL
5				
(i)	Weighted average fair value of options granted during the year whose			
	A Exercise price is equals to market price	NIL	NIL	NIL
	B Exercise price is greater than market price	NIL	NIL	NIL
	C Exercise price is lesser than market price	NIL	NIL	INR 818.43
(ii)	Weighted average exercise price of options granted during the year whose			
	A Exercise price is equals to market price	NIL	NIL	NIL
	B Exercise price is greater than market price	NIL	NIL	NIL
	C Exercise price is lesser than market price	NIL	NIL	Please refer Note No. 30 of the Notes to Accounts
6	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -			

## ANNEXURE I TO THE BOARD'S REPORT Contd.

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
(i)	Senior Managerial Personnel	NIL	NIL	<ol style="list-style-type: none"> <li>1. Venky Ramanan, Senior Vice President was granted 10,000 PAUs at INR 10 each</li> <li>2. Sandeep Kishore CEO &amp; MD was granted 25,000 PAUs at INR 10 each</li> <li>3. Durai Velan Senior Vice President was granted 20,000 PAUs at INR 10 each</li> <li>4. Harjott Atrii was granted Senior Vice President 15,000 PAUs at INR 10 each</li> </ol>
(ii)	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL	NIL	<ol style="list-style-type: none"> <li>1. Venky Ramanan – 10,000</li> <li>2. Sandeep Kishore – 25,000</li> <li>3. Durai Velan – 20,000</li> <li>4. Harjott Atrii – 15,000</li> </ol>
(iii)	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Dr. Ganesh Natarajan - 5,00,000 All of these options have been exercised.	NIL	NIL
7	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:			
(i)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	NIL	NIL	Refer Note No. 30 of Notes to Accounts

## ANNEXURE I TO THE BOARD'S REPORT **Contd.**

(ii)	the method used and the assumptions made to incorporate the effects of expected early exercise	Not applicable	Not applicable	The method used for the Valuation is the Binomial Method. The estimate of the expected life of the option (i.e. the period from the date of grant to the date on which the option is expected to be exercised) has been considered as an input to the pricing method. The estimate on the expected life of the option is based on the historical exercise behaviour of the employees.
(iii)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Not applicable	Not Applicable	Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. Accordingly, since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. We have considered the daily volatility of the Company's stock price on NSE over these years.
(iv)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Not applicable	Not applicable	No other feature was considered.
8	Disclosures in respect of grants made in three years prior to IPO under each ESOS			

## ANNEXURE I TO THE BOARD'S REPORT Contd.

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
(i)	Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made	Not applicable	Not applicable	Not applicable

For and on behalf of the Board

Place: Mumbai  
Dated: 24th April, 2018

Sd/-  
**H. V. Goenka**  
Chairman

# ANNEXURE J TO THE BOARD'S REPORT

## STATEMENT UNDER SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2017-18

Sr. no.	Name	Designation	Remuneration received in INR	Nature of employment whether contractual or otherwise	Qualifications	Experience	Date of commencement of employment	Age	Last Employment held before joining	Percentage of equity shares held	Whether any such employee is relative of any Director and if so name of such Director
1	Mr. Avinash Padurang Kale	Sr. Vice President	1,16,36,905		Bachelor of Engineering (BE)	21	10-Mar-97	43	NA	NA	No
2	Mr. Sambasivarao Pandala*	Sr. Manager	23,53,915		M.Tech	21	14-Jul-97	46	NA	NA	No
3	Mr. Samit Kumar Das*	Delivery Manager	28,30,786		Bachelor Of Engineering (BE)	25	11-Mar-02	47	L&T Chiyoda Limited	NA	No
4	Mr. Balasubramaniam S*	Executive Vice President	1,07,39,517		CA & CWA	35	01-Oct-05	60	RPG Life Sciences Ltd	NA	No
5	Mr. Mohan Hastak*	Sr. Vice President	31,16,756		B. Tech	32	05-Mar-12	58	Patni Computer System Ltd	NA	No
6	Mr. Syed Azfar Hussain*	Sr. Vice President	57,94,287	Contractual	Post Grad Dip (PG Dip)	23	25-Nov-14	48	Flextronics	NA	No
7	Mr. Manoj Jaiswal*	Sr. Vice President and Chief Financial Officer	1,17,37,894		Chartered Accountant (CA)	23	17-Jan-17	43	CEAT Ltd	NA	No
8	Mr. Navneet Khandelwal*	Sr. Vice President and Chief Financial Officer	50,96,151		Chartered Accountant (CA)	18	15-Jan-18	38	Wipro digital and consulting	NA	No
9	Mr. Vivek Ranjan*	Sr. Vice President and Chief Human Resources Officer	52,57,632		Post Grad Dip (PG Dip)	20	06-Nov-17	45	Ericsson India Global Services	NA	No
10	Prameela Kalive	Executive Vice President	98,09,980		ME & MBA	30	17-Nov-00	52	Athena Consulting Pvt. Ltd	NA	No

\*Employed for part of the year

### Notes:

- Remuneration as shown above includes salary, allowances, bonus, Company's contribution to the provident fund, gratuity and superannuation fund and other perquisite value calculated as per Income Tax Rules wherever applicable
- The above details are only of employees located in India
- Percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of Sub Rule 2 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

By Order of the Board

Place: Mumbai  
Dated: 24th April, 2018

Sd/-  
**H. V. Goenka**  
Chairman

# ANNEXURE K TO THE BOARD'S REPORT

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Identity Number (CIN) of the Company:	L72200PN1963PLC012621
2. Corporate Name of the Company:	Zensar Technologies Limited
3. Registered address:	Zensar Knowledge Park, Plot#4, MIDC Kharadi Off Nagar Road, Pune 411014
4. Website:	www.zensar.com
5. E-mail id:	investor@zensar.com
6. Financial Year reported:	2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	620 (Software development and allied services)
8. List three Key products/services that the Company manufactures/provides (as in balance sheet):	Application Management Services, Infrastructure Management Services (Maintenance and Services)
9. Total number of locations where business activity is undertaken by the Company	The key geographical regions for the Company include the United States of America (US), United Kingdom, South Africa and India.
(a) Number of International Locations (Provide details of major 5)	<p>The US primarily consists of locations in both, the East and West coast. Key locations are San Jose, Westborough, Northborough, Dallas, Bellevue, Washington and Princeton. This region has both corporate and sales offices and customer delivery center.</p> <p>In UK, Company's presence extends to parts of Europe with delivery centers in Veenandal and Slough (UK). The Company also has presence in Vienna, Amsterdam and Geneva. The sales offices are located in Reading and Folgate Street, London. There is an office in the Czech Republic too.</p> <p>In South Africa, Company is based in Johannesburg and Cape Town alongwith a nearshore delivery center in the region.</p>
(b) Number of National Locations	The global headquarters and delivery center is located in Pune, India. Company has presence in Hyderabad and Bangalore too.
10. Market Served by the Company	Primarily International.



# ANNEXURE K TO THE BOARD'S REPORT **Contd.**

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of Director/Directors responsible for BR

No.	Particulars	Details
1	DIN Number (if applicable)	07393680
2	Name	Sandeep Kishore
3	Designation	Chief Executive Officer and Managing Director
4	Telephone number	020-66074000
5	e-mail id	investor@zensar.com

### 2. Principle-wise (as per NVGs) BR Policy/Policies

#### (a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Wherever applicable, policy conforms to relevant national/international standards.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	N	N	Y	Y	N	Y	Y	Y
		Wherever mandated by the applicable laws, rules and regulations, the policies have been approved by the Board and signed by the Director(s).								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The implementation of the policy is being overseen by the Committee/Director/ Official, wherever mandated by the applicable laws, rules and regulations, in force.								
6	Indicate the link for the policy to be viewed online?	Please refer the below table for respective policy link on the website of the Company <a href="http://www.zensar.com">www.zensar.com</a> .								

## ANNEXURE K TO THE BOARD'S REPORT Contd.

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	N	Y	Y	Y	N	Y	N	N
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Principle No.	Details of Principle	Applicable policy	Link on the website	Approved by Board of Directors of the Company
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Code of Conduct	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf</a>	Yes
		Whistle Blower Policy	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Model_Whistle_blower_policy.pdf">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Model_Whistle_blower_policy.pdf</a>	Yes
		Code of ethics for employees	-	No
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	EHS Policy		No
		Quality Policy	<a href="https://www.zensar.com/accreditations-and-certifications">https://www.zensar.com/accreditations-and-certifications</a>	No
3	Businesses should promote the well-being of all employees.	Flexi Timing Policy		No
		Maternity Policy		
		Open door policy		
		Policy on women's safety at workplace	-	
		Employee Insurance policy		
		Parents Medicare Policy		
	Care9 Initiative			

## ANNEXURE K TO THE BOARD'S REPORT Contd.

4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.PDF">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.PDF</a>	Yes
		BBBEE initiatives	<a href="http://www.zensar.com/about-us/media/press-release/zensarkapela-holdings-andtomorrow-trust-joinhands-south-africa-pune">http://www.zensar.com/about-us/media/press-release/zensarkapela-holdings-andtomorrow-trust-joinhands-south-africa-pune</a>	No
		Diversity policy	-	No
5	Businesses should respect and promote human rights.	Code of Conduct	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf</a>	Yes
		Whistle Blower Policy	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Model_Whistle_blower_policy.pdf">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Model_Whistle_blower_policy.pdf</a>	Yes
6	Businesses should respect, protect, and make efforts to restore the environment.	Environment, Energy, Health and Safety Policy		No
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code of Conduct	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf</a>	Yes
8	Businesses should support inclusive growth and equitable development.	CSR Policy	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Corporate%20Social%20Responsibility%20Policy_0.pdf">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Corporate%20Social%20Responsibility%20Policy_0.pdf</a>	Yes
		BBBEE initiatives	<a href="http://www.zensar.com/about-us/media/press-release/zensarkapela-holdings-andtomorrow-trust-joinhands-south-africa-pune">http://www.zensar.com/about-us/media/press-release/zensarkapela-holdings-andtomorrow-trust-joinhands-south-africa-pune</a>	No
		Diversity policy	-	No
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Code of Conduct	<a href="https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf">https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Code%20of%20Conduct.pdf</a>	Yes
		Quality Policy	<a href="https://www.zensar.com/quality-management">https://www.zensar.com/quality-management</a>	No

## ANNEXURE K TO THE BOARD'S REPORT Contd.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task						Not Applicable			
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

The Board of Director assesses the BR performance of the Company once a year by way of reviewing the draft Business Responsibility Report.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

The Company has created sustainable mechanisms to identify and consult with the key internal and external stakeholders including shareholders, customers, employees, farmers, suppliers, government and community as part of its reporting process.

The Company, in its endeavour to be responsible, has in place an Ethics committee that is empowered to investigate all matters of suspected violation of ethical standards of the Company. Further a dedicated application called ZenPolicies has been put in place in the form of a mobile-app, which combines all policies under ethics, transparency and accountability and act as ready reference for employees to refer to anytime, from anywhere. The policies are revisited periodically to keep them in sync with new or emerging business environment.

### Principle 2: Products Lifecycle Sustainability

The business operations of Company include software and software related services, however, the Company takes cognizance of the social and environmental impact that may be caused due to its operational activities (like: Waste management (including e-waste), Energy Management, CSR activities) and is certified for ISO 14001:2015 (Environmental Management System), OHSAS 18001:20075 (Occupational Health and Safety Management System) and ISO 50001:2011 (Energy Management System). The above certifications are implemented consistently thus monitoring methodologies are defined and consumption of resources like energy and water are tracked. Reduction in consumption targets in energy at an organization level is undertaken and achieved.

The Company procures multiple products and services from across vendors in various categories. the sustainable sourcing is driven via EHSE objectives and initiatives throughout the organization.

Sustainable sourcing initiatives include the following principles that are implemented consistently and appropriately subjected to audit on a periodic based on ISO 14001:2015 (Environmental Management System).

### Principle 3: Employee's Well-being:

The Company believes that its employees are its greatest strength and a healthier and happier employee can deliver great results for the long term. Thus addressing health issues significantly contributes to the sustainability of business operations.

The Company thus regularly undertakes health awareness initiative to generate knowledge and improve awareness levels of employees. The health and safety aspect is integrated into business planning, decision-making and management practices.

## ANNEXURE K TO THE BOARD'S REPORT Contd.

During the year, there were no complaints alleging child labour, forced labour involuntary labour or discriminatory employment.

However, 1 complaint was received and resolved by the Internal Complaints Committee, which reviews and settles grievances/complaints under the policy on Prevention of sexual harassment at workplace.

### **Principle 4: Stakeholder Engagement**

The Company follows a transparent and proactive culture of ensuring that all its stakeholders including investors, employees, customers, analysts, and media are reasonably kept informed on key initiatives and business plans. One of the core values of the Company is customer-centricity and the same is evident in the market facing communication. Company practices a culture of full transparency on policies, people led initiatives and other key aspects of the business operations.

The Company has identified the disadvantaged, vulnerable and marginalized stakeholders. The Company has integrated social responsibility with stakeholders engagement by way of imparting skills to the local youths hailing from, *inter-alia*, economically weaker section who may not have scope for higher education/employability skill development. The training enables them to be employment ready. All assistance was given by way of close monitoring and interfacing with training institutes. This helped the youth not only with a sustainable employment but a career progression depending upon their performance.

Special initiatives are taken by the Company to engage with the stakeholders posing any significant risks. A program plan is documented in order to address such risks which includes various initiatives or actions planned, along with the timelines and responsibility demarcation. The same is communicated to the stakeholders involved as per the organization communication plan.

The Quality Policy of the Company clearly outlines the commitment to meeting customer's needs and expectations by delivering industry-relevant services and solutions through continual improvement of processes and systems.

The Company is committed to engage with its investors regularly with investor calls, announcement of its financial results, frequent updates to its investor section, media announcements on all key initiatives and interactions. The Company's website is regularly updated with news releases, financial reports, quarterly reports and annual reports for easy access to the public. The Investor Relations team organizes quarterly results calls with analysts and investors. The Annual General Meeting gives the shareholders the opportunity to interact with Board Members and the leadership of the Company.

The Company regularly interacts with various media outlets, (print, broadcast and internet) and publish the interactions on the website

Internal employee engagement focuses on internal updates on events, achievements, corporate news and happenings globally being shared with all employees. Further the periodic gathering of global customers, The Global Customer Conclave at Pune campus, brings to the fore, the spirit of active conversation and engagement.

### **Principle 5: Human Rights**

The Company respects, practices and encourages Human Rights, which involves codification and agreement of what it means to treat others with dignity and respect. Transparency, safe working environments and integrity is the foundation on which the Company conducts its business operations.

The Company complies with all local laws, and values as forming part of the Constitution of India and the international labour and local regulations across its global locations. The Company encourages its partners, customers and vendors to respect human rights and strictly avoid any violation of them.

In order to protect and promote the Human Rights across its employees, there are clear policies outlining the conduct towards the same. The Company encourages people with disabilities to apply for positions with the Company. The total number of employees who are differently abled was about 16 as on March 31, 2018.

### **Principle 6: Environment**

The Company understands the direct and indirect environmental impacts of its operations and services and strives to make them more environment friendly. Company's environment policy is pivoted and derived on the basis of ISO 14001 framework. The policy covers the Company, suppliers and contractors. EHSEn certification was one of the strategic initiatives taken by the organization to address the Energy and Environmental impacts caused by the operations. An aspect impact study is conducted and potential environmental risks are identified at department /function and project delivery levels and associated mitigations are documented.

## ANNEXURE K TO THE BOARD'S REPORT Contd.

The architecture, campus, processes and practices in the Company is a true reflection of commitment to the values of transparency, trust and respect. The Zen principal of ecologically sustainable designs are thus reflected everywhere.

Various energy and water conservation techniques have been implemented at our campuses such as, Installation of air cooled intelligent HVAC system which results into low energy consumption and negligible water consumption, double walled construction for AC halls for excellent thermal insulation and reduction of load on air conditioning, CFL light fittings for low power consumption to name a few. These efforts helped the Company to achieve power saving of 898,247 units across all location for year 2017-18. Such consumption and conservation data is prominently displayed at conspicuous place(s) within the campus.

### **Principle 7: Policy Advocacy**

The Company understands and takes full responsibility in its role in influencing public advocacy and regularly takes part in supporting initiatives that maybe helpful to the community at large.

It is well represented in key industry associations like the NASSCOM etc.

Such engagements help to contribute to the development of Industry and aims to make a transformational difference to the issues that matter, most to its business, industry and consequently to the country, as a policy and a value norm.

### **Principle 8: Inclusive Growth**

The Company recognizes the value of the energy and enterprise of businesses and encourages to innovate and contribute to the overall development of the country, especially to that of the disadvantaged, vulnerable and marginalised sections of society.

The Company has a robust CSR initiative that is aimed at transforming the community in its areas of operations. The CSR activities are primarily managed by RPG Foundation. RPG Foundation (RPGF) is set up as a public charitable trust to undertake activities in the field of social welfare and reform, across wide range of areas including education, employability, health including eye health, community development etc. The RPG Foundation is authorized to undertake Corporate Social Responsibility (CSR) initiatives for various RPG Group Companies with a clear purpose to oversee, create synergies and encourage exchange of ideas, adoption of best practices and learning.

The entire CSR programs are structured and strategized through the principles:

- Fostering Individual & Community Agency
- Facilitating transformational leadership across our programs
- Enabling Active Citizenship – 4P model: Public, Private and People Partnership
- Amplification of good
- Create and scale replicable models
- Impact Oriented Programming.

All programs are initiated by carrying out a need assessment by using 'human-capacities' framework – which gauges community needs. The programs that are introduced are monitored closely, and community feedback is taken into consideration before continuing them. Interventions are also designed in such a way that their relevance to the community's social and economic growth are inter-connecting, bringing in elements of ownership. There have been many incidences where the programs have built the community's inter-personal capacities, and programs are also being replicated at relevant scales – individually or at community level. The success stories are captured by looking at individual and community transformation in comparison to the principles of the CSR work. The annual report on CSR forms part of this annual report, elaborating on the same.

### **Principle 9: Customer Value**

The Company that the basic aim of a business entity is to provide services to its customers in a manner that creates value for both. Company's customers include large global corporations having worldwide presence. All efforts are made towards delivering on customers' expectations, by adhering to all agreed deliverables. Since Company's operations span across multiple customer locations in multiple geographies, it is imperative that Company complies with legal requirements of each local laws. To ensure this, the inhouse Legal Team and contract excellence team are regularly updated on various regulations, to ensure that there is awareness and due compliance. The Company has not reported any consumer case, customer complaint or grievances reported in the financial year under review.

## ANNEXURE K TO THE BOARD'S REPORT **Contd.**

Further in-depth Customer Satisfaction surveys are conducted to capture customer perception about the services delivered by the organization. It also serves as a credible, third party feedback on customer delivery framework. The feedback so received are accordingly acted upon so as to work towards consistent and continued improvements.

There is an external customer satisfaction survey conducted by the third party at an organization level and delivery level survey conducted internally customer feedback cell. Survey results and trends are reviewed in management review meetings, for requisite actions and deliverables.

For and on behalf of the Board

Place: Mumbai  
Dated: 24th April, 2018

Sd/-  
**H. V. Goenka**  
Chairman

# ANNEXURE L TO THE BOARD'S REPORT

## DIVIDEND DISTRIBUTION POLICY

### Preamble:

The Securities and Exchange Board of India vide its Notification No. SEBI/LAD-NRO/GN/201617/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year. In compliance with Regulation 43A of the Listing Regulations, the Company has framed Dividend Distribution Policy which will be effective from the date of adoption of the same by the Board of Directors (the Board).

### I Objective

This Policy intends to assist investors and stakeholders for their investing decisions.

### II Regulatory Framework

The Dividend, if any, declared by the Company (including Interim Dividend) shall be governed by the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the provisions in Company's Articles of Association.

### III Parameters to be considered for declaration of dividend

#### A General:

- The Company shall ensure that distribution of dividend protects the rights of minority shareholders.
- The Board shall not recommend dividend if it is of the opinion that it is financially not prudent to do so.

#### B Financial and Internal Parameters:

The Board would consider the following financial and internal parameters before declaring or recommending dividend to shareholders:

- Stand-alone net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements and loan repayments;
- Resources required to fund acquisitions and in-organic growth;
- Cash flow required to meet contingencies;
- Outstanding borrowings and total debt equity ratio;

- Past dividend payment trends of the Company.

Change in capital structure of the Company.

### C External Parameters:

- Regulatory restrictions, if any and the prevalent statutory requirements
- Provisions of Tax laws governing dividend
- Economic environment and state of the capital markets
- Dividend Pay-out ratios of peers

### IV Circumstances under which the shareholders may or may not expect dividend:

The Company has been consistently paying out dividends to its shareholders and can be reasonably expected to continue declaring in future as well unless the Company is restrained to declare dividend due to insufficient profits or due to any of the internal or external factors listed above.

Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buy-back of existing share capital.

### V Policy as to how the retained earnings shall be utilized

The profits being retained in the business shall continue to be deployed for augmentation of working capital, repayment of term loans, Capital expenditure, to fund acquisitions, to fund in-organic growth and thus contributing to the growth of business and operations of the Company.

### VI Parameters that shall be adopted with regard to various classes of shares:

The Authorised Share Capital of the Company is divided into equity share of face value INR 10.00 each and Preference shares of face value INR 100.00 each.

At present, however, the issued and paid-up share capital of the Company comprises of only equity shares.

The Company shall first declare dividend on outstanding preference shares if any, as per the terms of issue of such preference shares, and thereafter, the dividend would be declared on equity shares.

## ANNEXURE L TO THE BOARD'S REPORT **Contd.**

The equity shareholders of the Company, as on the record date to be decided, shall be entitled to receive dividends.

### **VII Procedure for deciding quantum of dividend:**

- The Chief Financial Officer (CFO) after considering the parameters mentioned above and in consultation with the Managing Director (MD) will propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
- The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- The final dividend recommended by the Board is subject to approval by the shareholders in the ensuing Annual General Meeting.

- The interim dividend declared by the Board requires confirmation by the shareholders in the ensuing Annual General Meeting.
- In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and Regulations from time to time..

### **VIII Disclosure:**

The Company shall make appropriate disclosures as required under the Listing Regulations.

### **IX Amendments:**

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

### **X. Effective Date:**

This policy shall be effective from January 24, 2017.

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STANDALONE  
**FINANCIAL**  
STATEMENTS



# Independent Auditors' Report

## To the members of Zensar Technologies Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Zensar Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

## Independent Auditors' Report (Contd.)

- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai  
Date: April 24, 2018

**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

## Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Zensar Technologies Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

## Annexure “A” to Independent Auditors’ Report (Contd.)

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by

the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

Place: Mumbai  
Date: April 24, 2018

**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

## Annexure “B” to Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the completion certificate / occupancy certificate / property tax documents provided to us, we report that, the title deeds of buildings are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company’s business / activities, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act. Accordingly reporting under clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2018, for a period of more than six months from the date they became payable.

## Annexure “B” to Independent Auditors’ Report (Contd.)

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Value Added Tax, Wealth Tax, Property Tax and Cess which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Amount Unpaid (in lakhs)
The Income-Tax Act, 1961	Income-tax	Assessing Officer	2006-07	0 ##
The Income-Tax Act, 1961	Income-tax	Income Tax Appellate Tribunal	2007-08	1
The Income-Tax Act, 1961	Income-tax	Income Tax Appellate Tribunal	2008-09	4
The Income-Tax Act, 1961	Income-tax	Income Tax Appellate Tribunal	2010-11	74
The Income-Tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	2013-14	392
Wealth Tax Act, 1957	Wealth-tax	Assessing Officer	2003-04	19
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2005-06	10
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2005-06	2
Maharashtra Value Added Tax, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeals)	2009-10	54@
Maharashtra Value Added Tax, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeals)	2011-12	172#
The Maharashtra Municipal Corporations Act, 1949	Property Tax	The Judge, Small Causes Court (Pune)	2006 to 2018	551*

@ Net off Rs. 5 lakhs paid under protest

\* Net off Rs. 551 lakhs paid under protest

# Net off Rs. 2 lakhs paid under protest

## denotes amount less than Rs. 1 lakh.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

## Annexure “B” to Independent Auditors’ Report (Contd.)

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or associate companies or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

Place: Mumbai  
Date: April 24, 2018

# Standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Standalone Balance Sheet as at	Notes	As at March 31, 2018	As at March 31, 2017
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	8,400	7,938
(b) Capital work-in-progress		158	100
(c) Goodwill	32	8,402	1,276
(d) Other intangible assets	5	4,189	743
(e) Intangible assets under development		359	162
(f) Financial assets			
i. Investments	6 (a)	12,676	7,766
ii. Loans	6 (d)	-	-
iii. Other financial assets	6 (g)	2,118	1,463
(g) Income tax assets (net)	16 (a)	1,807	2,142
(h) Deferred tax assets (net)	7	3,004	1,494
(i) Other non-current assets	8	1,171	986
<b>Total Non-current assets</b>		<b>42,284</b>	<b>24,070</b>
<b>Current assets</b>			
(a) Financial assets			
i. Investments	6 (b)	13,023	14,667
ii. Trade receivables	6 (c)	71,041	59,681
iii. Cash and cash equivalents	6 (e)	4,389	5,875
iv. Other balances with banks	6 (f)	224	196
v. Other financial assets	6 (h)	20,439	22,615
(b) Other current assets	9	3,953	3,926
<b>Total current assets</b>		<b>1,13,069</b>	<b>1,06,960</b>
<b>Total assets</b>		<b>1,55,353</b>	<b>1,31,030</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	10 (a)	4,499	4,487
(b) Other equity			
i. Reserves and surplus	10(b) & 10 (c)	1,21,025	1,07,526
ii. Other components of equity	10 (d)	(233)	803
<b>Total equity</b>		<b>1,25,291</b>	<b>1,12,816</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	11 (a)	595	26
ii. Other financial liabilities	11 (b)	4,097	-
(b) Provisions	13	88	79
(c) Employee benefit obligations	14	1,496	1,528
<b>Total non-current liabilities</b>		<b>6,276</b>	<b>1,633</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	11 (a)	-	1,459
ii. Trade payables	12	9,020	5,373
iii. Other financial liabilities	11 (b)	10,735	5,291
(b) Employee benefit obligations	14	1,493	2,502
(c) Other current liabilities	15	1,706	1,799
(d) Income tax liabilities (net)	16 (a)	832	157
<b>Total current liabilities</b>		<b>23,786</b>	<b>16,581</b>
<b>Total liabilities</b>		<b>30,062</b>	<b>18,214</b>
<b>Total equity and liabilities</b>		<b>1,55,353</b>	<b>1,31,030</b>

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Hemant M. Joshi**  
Partner

Place: Mumbai  
Date: April 24, 2018

For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Navneet Khandelwal**  
Chief Financial Officer

Place: Mumbai  
Date: April 24, 2018

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Gaurav Tongia**  
Company Secretary

# Statement of Standalone Profit and Loss

(All amounts in INR Lakhs, except earnings per share)

Statement of Standalone Profit and Loss for the	Notes	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
(a) Revenue from operations	17	1,28,581	1,27,239
(b) Other income (net)	18	6,275	2,172
<b>Total income</b>		<b>1,34,856</b>	<b>1,29,411</b>
<b>Expenses</b>			
(a) Purchase of licenses for software applications		2,574	7,222
(b) Employee benefits expense	19	74,925	71,393
(c) Subcontracting costs		2,708	2,172
(d) Finance costs	20	1,214	167
(e) Depreciation and amortisation expense	21	4,610	3,388
(f) Other expenses	22	23,147	19,770
<b>Total expenses</b>		<b>1,09,178</b>	<b>1,04,112</b>
<b>Profit before tax</b>		<b>25,678</b>	<b>25,299</b>
<b>Tax expense</b>			
(a) Current tax	23	7,374	7,549
(b) Deferred tax		(954)	(727)
<b>Total tax expense</b>		<b>6,420</b>	<b>7,277</b>
<b>Profit for the year</b>		<b>19,258</b>	<b>18,022</b>
<b>Other comprehensive income / (loss)</b>			
I) (a) <b>Items that will not be reclassified to profit or loss</b>			
- Remeasurements of defined employee benefit plans	14	647	(727)
(b) Income tax relating to items that will not be reclassified to profit or loss	23	(224)	252
		423	(475)
II) (a) <b>Items that will be reclassified to profit or loss</b>			
- Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)	10 (d)	(1,593)	710
- Exchange differences in translating the financial statements of foreign operations - gain / (loss)	10 (d)	-	480
(b) Income tax relating to items that will be reclassified to profit or loss	10 (d)	557	(412)
		(1,036)	778
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>(613)</b>	<b>303</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>18,645</b>	<b>18,325</b>
<b>Earnings per share - [nominal value per share Rs.10/- (March 31, 2017: Rs.10/- )]</b>			
- Basic	31	42.86	40.28
- Diluted		42.42	39.72

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Hemant M. Joshi**  
Partner

For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Navneet Khandelwal**  
Chief Financial Officer

**Gaurav Tongia**  
Company Secretary

Place: Mumbai  
Date: April 24, 2018

Place: Mumbai  
Date: April 24, 2018

## Statement of Changes in Equity

(All amounts in INR Lakhs, unless otherwise stated)

### EQUITY SHARE CAPITAL

	Balance as at April 1, 2016 4463	Changes in equity share capital during the year 24	Balance as at March 31, 2017 4487
	Balance as at April 1, 2017 4487	Changes in equity share capital during the year 12	Balance as at March 31, 2018 4499

Particulars	Notes	Reserves and Surplus						Other components of equity			Total
		Capital redemption reserve	Share based payment reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Foreign currency translation reserve		
Balance as at April 1, 2016		442	868	1,565	13,646	74,618	-	545	(520)		91,164
Profit for the year	10 (c)	-	-	-	18,022	-	-	-	-	-	18,022
Effective portion of gain / (loss) on Cash Flow Hedge (net).	10 (d)	-	-	-	-	-	-	464	-	-	464
Exchange differences in translating the financial statements of foreign operations - gain / (Loss) (net of tax)	10 (d)	-	-	-	-	-	-	-	314	-	314
Remeasurements of defined employee benefit plans (net of tax)	10 (c)	-	-	-	(475)	-	-	-	-	-	(475)
<b>Total comprehensive income for the year</b>		-	-	-	<b>17,547</b>	-	-	<b>1,009</b>	<b>(206)</b>	-	<b>18,325</b>
Dividends paid (including Dividend Distribution Tax)	10 (c)	-	-	-	(2,610)	-	-	-	-	-	(2,610)
Recognition of Employee Share based payment expense	10 (c)	-	1,014	-	-	-	-	-	-	-	1,014
Transferred from / to Securities premium reserve on exercise of stock options	10 (c)	-	(36)	36	-	-	-	-	-	-	-
Received on exercise of stock options	10 (c)	-	-	436	-	-	-	-	-	-	436
Stock options lapsed/cancelled during the year	10 (c)	-	(13)	-	-	13	-	-	-	-	-
Transferred to general reserve	10 (c)	-	-	-	(10,000)	10,000	-	-	-	-	-
Transferred to special economic zone re-investment reserve	10 (c)	-	-	-	(180)	-	-	-	-	180	-
<b>Balance as at March 31, 2017</b>		<b>442</b>	<b>1,833</b>	<b>2,037</b>	<b>18,403</b>	<b>84,631</b>	<b>180</b>	<b>1,009</b>	<b>(206)</b>		<b>108,329</b>

## Statement of Changes in Equity

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	Reserves and Surplus						Other components of equity			Total
		Capital redemption reserve	Share based payment reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Foreign currency translation reserve		
Profit for the year	10 (c)	-	-	-	19,258	-	-	-	-	-	19,258
Effective portion of gain / (loss) on Cash Flow Hedge (net).	10 (d)	-	-	-	-	-	(1,036)	-	-	-	(1,036)
Remeasurements of defined employee benefit plans (net of tax)	10 (c)	-	-	-	423	-	-	-	-	-	423
<b>Total comprehensive income for the year</b>		-	-	-	<b>19,681</b>	-	<b>(1,036)</b>	-	-	-	<b>18,645</b>
Dividends paid (including Dividend Distribution Tax)	10 (c)	-	-	-	(6,260)	-	-	-	-	-	(6,260)
Recognition of Employee Share based payment expense	10 (c)	-	369	-	-	-	-	-	-	-	369
Transferred from / to Securities premium reserve on exercise of stock options	10 (c)	-	(95)	95	-	-	-	-	-	-	-
Received on exercise of stock options	10 (c)	-	-	246	-	-	-	-	-	-	246
Transferred to group company	10 (c)	-	(537)	-	-	-	-	-	-	-	(537)
Stock options lapsed/cancelled during the year	10 (c)	-	(222)	-	-	222	-	-	-	-	-
Transferred to general reserve	10 (c)	-	-	-	(10,000)	10,000	-	-	-	-	-
<b>Balance as at March 31, 2018</b>		<b>442</b>	<b>1,348</b>	<b>2,378</b>	<b>21,824</b>	<b>94,853</b>	<b>180</b>	<b>(27)</b>	<b>(206)</b>		<b>120,792</b>

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 Limited

**Hemant M. Joshi**  
Partner

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Navneet Khandelwal**  
Chief Financial Officer

**Gaurav Tongia**  
Company Secretary

Place: Mumbai  
Date: April 24, 2018

Place: Mumbai  
Date: April 24, 2018

# Statement of Standalone Cash Flows for year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit before taxation	25,678	25,299
<b>Adjustments for:</b>		
Depreciation and amortisation	4,610	3,388
Employee share based payment expense	82	199
(Profit) / loss on sale of investments (net)	(637)	(481)
Changes in fair value of financial assets at fair value through profit and loss	(720)	(916)
Dividend income	(1,256)	(468)
Interest income	(209)	(83)
Finance costs	1,214	167
(Profit) / loss on sale of tangible assets (net)	(43)	(28)
Bad Debts written off	388	116
Provision for doubtful debts (net)	2,241	133
Provisions no longer required and credit balances written back	(115)	(37)
Unrealised exchange gains / (loss) net	(2,178)	43
	3,377	2,033
<b>Operating profit before working capital changes</b>	<b>29,055</b>	<b>27,332</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/ decrease in other non current financial assets	(655)	(132)
(Increase)/ decrease in other non current assets	(161)	78
(Increase)/ decrease in trade receivables	(11,563)	(5,609)
(Increase)/ decrease in other current financial assets	836	(1,192)
(Increase)/ decrease in other current assets	(45)	(378)
Increase/ (decrease) in non current provisions	9	6
Increase/ (decrease) in non current employee benefit obligations	(32)	264
Increase/ (decrease) in other non current financial liabilities	-	-
Increase/ (decrease) in trade payables	3,791	2,044
Increase/ (decrease) in other current financial liabilities	135	(848)
Increase/ (decrease) in current provisions	-	(220)
Increase/ (decrease) in current employee benefit obligations	(533)	316
Increase/ (decrease) in other current liabilities	(138)	(35)
	(8,356)	(5,706)
<b>Cash generated from operations</b>	<b>20,699</b>	<b>21,626</b>
Income taxes paid (net of refunds)	(6,634)	(8,618)
<b>Net cash inflow from operating activities</b>	<b>14,065</b>	<b>13,008</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible/intangible assets including capital work in progress	(3,859)	(3,185)
Investment in Subsidiaries	(140)	-
Purchase of Business (Refer Note 34)	(4,987)	-
Proceeds from sale of tangible/intangible assets	64	44
Purchase of investments (Mutual Funds)	(60,098)	(57,822)
Sale of investments (Mutual Funds)	59,080	48,037
Investment in Non Convertible Debentures	(750)	-
Interest income received	217	83
Dividend income received	1,256	468
<b>Net cash used in investing activities</b>	<b>(9,217)</b>	<b>(12,375)</b>

# Statement of Standalone Cash Flows for year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from financing activities</b>		
Proceeds from issue of Equity Shares	258	460
Dividend on equity shares and tax thereon paid	(6,260)	(2,610)
Interest paid	(220)	(167)
Repayment of long-term borrowings	(381)	(52)
Repayment of short-term borrowings	(6,088)	(5,365)
Proceeds from short-term borrowings	4,629	5,499
<b>Net cash used in financing activities</b>	<b>(8,062)</b>	<b>(2,235)</b>
Effect of exchange differences on translation of cash and cash equivalents	45	(1,101)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,169)</b>	<b>(2,703)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,697</b>	<b>8,400</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,528</b>	<b>5,697</b>

**Notes:**

- 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.
- Cash and cash equivalents comprise of:

	As at March 31, 2018	As at March 31, 2017
Cash on hand	2	8
Funds in transit	70	15
Balances with banks	4,310	5,337
Deposits having original maturity of less than three months	7	515
<b>Total</b>	<b>4,389</b>	<b>5,875</b>
Less: Book Overdrafts	(1,861)	(178)
<b>Total</b>	<b>2,528</b>	<b>5,697</b>

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Hemant M. Joshi**  
Partner

Place: Mumbai  
Date: April 24, 2018

For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Navneet Khandelwal**  
Chief Financial Officer

Place: Mumbai  
Date: April 24, 2018

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Gaurav Tongia**  
Company Secretary

# Notes to the Financial Statements

## as at and for the year ended March 31, 2018.

### 1. Corporate Information

Zensar Technologies Limited (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 Company is a public limited company incorporated and domiciled in India and has its registered office at Pune, Maharashtra, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The financial 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 and other relevant provisions of the Act.

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

##### (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

##### (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), which is the Company’s functional and presentation currency.

##### (ii) Transactions and balances

- Transactions in foreign currency are translated into the functional currency 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 Profit or Loss and reported within foreign exchange gains/ (losses), except when deferred in other comprehensive income as qualifying cash flow 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 Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

### (iii) Foreign Operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet
- Income and expense items are translated at the average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal.

### 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 '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) 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

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

transaction can be measured reliably.

#### e. Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss 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 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.

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.

Deferred Tax includes MAT credit and it is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 for a specified period. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

#### 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:

**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 profit or loss on a straight-line basis over the lease term unless the payments are structured to increase in line

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

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

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.

#### 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 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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through 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

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

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 statement of 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.

##### **Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, which is generally when shareholders approve the dividend, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

**(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.

##### **(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 at fair value through profit

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

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 company prior to the end of financial year which are unpaid. 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 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.

#### **(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.

#### **(iv) Embedded Derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### **I. Derivatives and hedging activities**

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit or loss as cost.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Subsequent to initial recognition, derivative financial instruments are measured as described below:

#### **Cash flow hedges:**

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit or loss and reported within foreign exchange gains/(losses), net within results from operating

activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of income.

#### **m. 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.

#### **n. 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.

Freehold land is carried at historical 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

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

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.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### (ii) 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
Networking Equipments and Servers (classified under Data Processing Equipments)	6 years	4 years
Vehicles	8 years	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.

#### o. Business combinations, Goodwill and Intangible Assets

##### (i) Business combinations:

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is

measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

##### (ii) Goodwill:

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

##### (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 to use or sell of the asset, adequate resources to complete the development are available and the expenditure attributable to the said assets during its development can be measured reliably.

An item of Intangible assets is derecognised

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

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 Intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

#### Research cost:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell of the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the period of expected future benefit, i.e. the estimated useful life of the intangible asset. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

**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 considered
Softwares (Acquired)	1-5 years
Softwares (Internally generated)	3-5 years
Customer Relationship	10 years
Non Compete Agreements	3 years
Brand	5 years
Customer contracts	1 year

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

#### p. 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.

#### q. Employee benefits

##### (i) Post-employment and pension plans

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. 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.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

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. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

The Company has the following employee benefit plans:

### **Provident Fund:**

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. Provident fund contributions are made to a trust administered by the Company. The contributions to the trust managed by the Company are accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

### **Superannuation and family pension funds:**

Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India. The Company makes annual contributions based on a specified percentage of each eligible employee's salary.

The Company has a defined contribution plan for post-employment benefits for all employees in the form of Family Pension Fund administered by Regional Provident Fund Commissioner.

These contributions to superannuation and family pension funds are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to defined contribution plans are charged to Profit or Loss during the period when employee provides service.

### **Gratuity:**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Scheme. The Gratuity plan provides for a lump sum payment to eligible employees, at retirement, death, incapacitation or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's obligation in respect of the gratuity plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

### **(ii) 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.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Profit or Loss in the year in which they arise.

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

#### (iii) 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 profit sharing 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.

#### (iv) Share-based payments:

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

#### r. 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.

#### s. 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.

#### t. 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.

#### u. Rounding of amounts

All amounts disclosed in the financial statements

## Notes to the Financial Statements as at and for the year ended March 31, 2018 (Contd.)

and notes have been rounded off to nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### v. Recent accounting pronouncements

#### Standards issued but not yet effective

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is in process of evaluating the impact on the financial statements.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively

adjusted. The Company is in process of evaluating the impact on the financial statements.

### 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

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

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(n).

### 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(p).

### f Business combinations

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired, and liabilities and contingent consideration involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

### g Goodwill

Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

### h 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 14.

### i Employee stock options

The Company initially measures the cost of equity-settled transactions with employees using a Black Scholes Options Pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model and the performance of the company, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 30.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 4 Property, plant and equipment

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Data Processing Equipments - Finance lease Refer Note (ii) below	Vehicles	Total
<b>Gross carrying amount</b>										
As at April 1, 2016	0	3,936	446	747	1,167	469	2,592	290	190	9,837
Additions	-	109	11	170	127	144	1,259	4	66	1,890
Disposals	-	-	-	-	(0)	(3)	(0)	-	(14)	(17)
<b>Gross carrying amount as at March 31, 2017</b>	<b>0</b>	<b>4,045</b>	<b>457</b>	<b>917</b>	<b>1,294</b>	<b>610</b>	<b>3,851</b>	<b>294</b>	<b>242</b>	<b>11,710</b>
<b>Accumulated Depreciation</b>										
As at April 1, 2016	-	179	163	161	184	109	827	173	64	1,860
Depreciation for the year	-	180	115	178	190	120	1,002	81	41	1,907
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange translation differences	-	-	-	0	1	3	1	-	-	5
<b>Accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>359</b>	<b>278</b>	<b>339</b>	<b>375</b>	<b>232</b>	<b>1,830</b>	<b>254</b>	<b>105</b>	<b>3,772</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>0</b>	<b>3,686</b>	<b>179</b>	<b>578</b>	<b>919</b>	<b>378</b>	<b>2,021</b>	<b>40</b>	<b>137</b>	<b>7,938</b>
Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Data Processing Equipments - Finance lease Refer Note (ii) below	Vehicles	Total
<b>Gross carrying amount</b>										
As at April 1, 2017	0	4,045	457	917	1,294	610	3,851	294	242	11,710
Additions	-	5	443	21	104	74	1,268	946	20	2,881
Additions on Business Combination (Refer note 34)	-	-	66	28	50	28	150	-	-	322
Disposals	(0)	(2)	(0)	(13)	(27)	(11)	(4)	(101)	(8)	(166)
<b>Gross carrying amount as at March 31, 2018</b>	<b>-</b>	<b>4,048</b>	<b>966</b>	<b>953</b>	<b>1,421</b>	<b>701</b>	<b>5,265</b>	<b>1,139</b>	<b>254</b>	<b>14,747</b>
<b>Accumulated Depreciation</b>										
As at April 1, 2017	-	359	278	339	375	232	1,830	254	105	3,772
Additions on Business Combination (Refer note 34)	-	-	42	13	17	13	107	-	-	192
Depreciation for the year	-	183	246	184	202	134	1,265	256	43	2,513
Disposals	-	(0)	(0)	(11)	(15)	(9)	(2)	(101)	(8)	(146)
Exchange translation differences	-	-	-	0	2	8	6	-	-	16
<b>Accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>542</b>	<b>566</b>	<b>525</b>	<b>581</b>	<b>378</b>	<b>3,206</b>	<b>409</b>	<b>140</b>	<b>6,347</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>-</b>	<b>3,506</b>	<b>400</b>	<b>428</b>	<b>840</b>	<b>323</b>	<b>2,059</b>	<b>730</b>	<b>114</b>	<b>8,400</b>

(i) **Contractual obligations:**

Refer note 29 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipments.

(ii) **Leased assets**

- The company's obligations under finance lease (see note 11) are secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 730 lakhs (March 31, 2017: Rs. 40 lakhs)

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 5 Other intangible assets

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
<b>Gross carrying amount</b>							
As at April 1, 2016	1,953	670	-	-	-	-	2,623
Additions	1,202	-	-	-	-	-	1,202
<b>Gross carrying amount as at March 31, 2017</b>	<b>3,155</b>	<b>670</b>	-	-	-	-	<b>3,825</b>
<b>Accumulated Amortisation</b>							
As at April 1, 2016	1,406	195	-	-	-	-	1,601
Amortisation for the year	1,218	263	-	-	-	-	1,481
<b>Accumulated amortisation as at March 31, 2017</b>	<b>2,624</b>	<b>458</b>	-	-	-	-	<b>3,082</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>531</b>	<b>212</b>	-	-	-	-	<b>743</b>

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
<b>Gross carrying amount</b>							
As at April 1, 2017	3,155	670	-	-	-	-	3,825
Additions on Business Combination (Refer note 34)	23	-	3,753	166	79	77	4,098
Additions	1,340	118	-	-	-	-	1,458
<b>Gross carrying amount as at March 31, 2018</b>	<b>4,518</b>	<b>788</b>	<b>3,753</b>	<b>166</b>	<b>79</b>	<b>77</b>	<b>9,381</b>
<b>Accumulated Amortisation</b>							
As at April 1, 2017	2,624	458	-	-	-	-	3,082
Additions on Business Combination (Refer note 34)	13	-	-	-	-	-	13
Amortisation for the year	1,340	234	375	55	16	77	2,097
<b>Accumulated amortisation as at March 31, 2018</b>	<b>3,977</b>	<b>692</b>	<b>375</b>	<b>55</b>	<b>16</b>	<b>77</b>	<b>5,192</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>541</b>	<b>96</b>	<b>3,378</b>	<b>111</b>	<b>63</b>	-	<b>4,189</b>

- (i) **Research and development expenditure** - Aggregate amount of research and development expenditure recognised as an expense during the year is Rs. 68 lakhs (March 31, 2017 : Rs.99 lakhs).

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 6 Financial assets

#### 6(a) Investments : Non current

Particulars		As at March 31, 2018	As at March 31, 2017
(i)	<b>Investment carried at Fair Value through Other Comprehensive Income (FVOCI)</b>		
	<b>Investment in equity instruments - Quoted</b>		
	100 (March 31, 2017: 100) Equity Shares of Rs. 10 each fully paid-up in CFL Capital Financial Services Limited	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
	<b>Investment in equity instruments - Unquoted</b>		
	100 (March 31, 2017: 100) Equity Shares of Rs. 9 (March 31, 2017: Rs. 9) each fully paid-up in Spencer & Company Limited	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
(ii)	<b>Investments carried at cost</b>		
	<b>Investment in equity instruments of subsidiary companies - Unquoted</b>		
	<b>Zensar Technologies Inc.</b>		
	2,00,000 (March 31, 2017: 2,00,000) Shares having an aggregate cost of US\$ 10,00,000 (March 31, 2017: USD 10,00,000)	290	290
	<b>Zensar Technologies (Singapore) Pte Limited</b>		
	3,00,000 (March 31, 2017: 3,00,000) Equity Shares of SGD 1 each	78	78
	<b>Zensar Technologies (UK) Limited</b>		
	50,000 (March 31, 2017: 50,000) Equity Shares of GBP 1 each	39	39
	<b>Zensar Advanced Technologies Limited</b>		
	20 (March 31, 2017: 20) Equity Shares of JPY 50,000 each	186	186
	Less : Provision for impairment in the value of investments	(186)	(186)
	<b>Zensar Technologies (Shanghai) Company Limited</b>		
	100% fully paid up equity shares, cost of US\$ 10,00,000 (March 31, 2017: US\$ 10,00,000)	498	498
	Less : Provision for impairment in the value of investments	(498)	(498)
	<b>Zensar (Africa) Holdings Pty Limited</b>		
	100 (March 31, 2017: 100) Shares of an aggregate cost of ZAR 10,00,000 (March 31, 2017: ZAR 10,00,000)	61	61
	<b>Zensar Information Technologies Limited</b>		
	6,00,000 (March 31, 2017: Nil) Equity Shares of Rs.10 each fully paid up (Refer Note 27)	60	-
	<b>Zensar Software Technologies Limited</b>		
	8,00,000 (March 31, 2017: Nil) Equity Shares of Rs.10 each fully paid up (Refer Note 27)	80	-
	<b>Total</b>	<b>608</b>	<b>468</b>

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
(iii) Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)		
- Mutual Funds	11,277	7,298
- Non Convertible Debentures	791	-
<b>Total</b>	<b>12,068</b>	<b>7,298</b>
<b>Total non current investments</b>	<b>12,676</b>	<b>7,766</b>
Aggregate amount of quoted investments & market value thereof	0	0
Aggregate amount of unquoted investments	13,360	8,450
Aggregate amount of impairment in the value of investments	684	684

### 6 (b) Investments : Current

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)		
- Mutual Funds	13,023	14,667
<b>Total</b>	<b>13,023</b>	<b>14,667</b>
<b>Total Current Investments</b>	<b>13,023</b>	<b>14,667</b>
Aggregate amount of quoted investments & market value thereof	-	-
Aggregate amount of unquoted investments	13,023	14,667
Aggregate amount of impairment in the value of investments	-	-

### 6 (c) Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	71,041	59,681
Considered doubtful	4,922	2,524
	<b>75,963</b>	<b>62,205</b>
Less: Allowance for doubtful trade receivables	(4,922)	(2,524)
<b>Total *</b>	<b>71,041</b>	<b>59,681</b>

\* Trade receivables include receivables from related parties (Refer note 27)

Notes :

- (i) No amounts are receivable from directors or other officers of the company either severally or jointly with any other person.
- (ii) Amounts receivable from firms or private companies in which any director is a partner, a director or a member - Rs. 555 lakhs (March 31, 2017 : Rs.26 lakhs) (Refer note 27)

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 6 (d) Loans : Non current

(Unsecured and considered doubtful)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans to related parties [Refer note 27]	1,159	1,159
Less: Allowance for doubtful loans	(1,159)	(1,159)
<b>Total</b>	<b>-</b>	<b>-</b>

#### 6(e) Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	2	8
Funds in transit	70	15
Balances with banks :		
- In current accounts	4,310	5,337
- Deposits having original maturity of less than three months	7	515
<b>Total</b>	<b>4,389</b>	<b>5,875</b>

#### 6(f) Other balances with banks

Particulars	As at March 31, 2018	As at March 31, 2017
Earmarked Balances with Banks :		
- Unclaimed Dividend	220	196
- Deposits having original maturity of more than three months	4	-
<b>Total</b>	<b>224</b>	<b>196</b>

#### 6(g) 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	1,549	1,463
<b>Interest receivable</b>		
Considered doubtful	232	232
Less: Allowance for doubtful receivables	(232)	(232)
	-	-
Amount deposited under protest	569	-
<b>Total</b>	<b>2,118</b>	<b>1,463</b>

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 6(h) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unbilled revenues (Refer note 27)</b>		
Considered good	18,069	17,431
Considered doubtful	170	327
	<b>18,239</b>	<b>17,758</b>
Less: Allowance for doubtful receivables	(170)	(327)
	<b>18,069</b>	<b>17,431</b>
Foreign currency derivative assets	167	1,544
Security deposits	41	-
Interest accrued on bank deposits	1	8
<b>Contractually reimbursable expenses (Refer Note 27)</b>		
Considered good	2,161	3,632
Considered doubtful	150	150
	<b>2,311</b>	<b>3,782</b>
Less: Allowance for doubtful receivables	(150)	(150)
	<b>2,161</b>	<b>3,632</b>
<b>Total</b>	<b>20,439</b>	<b>22,615</b>

### 7 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
<b>The major components of the deferred tax asset created on :</b>		
Property, plant and equipment and Intangible assets	514	442
Allowance for doubtful debts - trade receivables	1,683	850
Employee Benefits	991	1,009
Tax Losses	118	121
Fair value changes on cash flow hedges	22	-
Others	42	38
	<b>3,370</b>	<b>2,460</b>
<b>The major components of the deferred tax liability created on :</b>		
Gain on financial assets mandatorily measured at FVTPL - mutual fund units	366	290
Fair value changes on cash flow hedges	-	534
Amortizable goodwill	-	142
	<b>366</b>	<b>966</b>
<b>Net deferred tax asset / (liability)</b>	<b>3,004</b>	<b>1,494</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

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	Property, plant and equipment and Intangible assets	Allowance for doubtful debts - trade receivables	Employee Benefits	Tax Losses	Changes in fair value on cash flow hedges	Others	Total
<b>As at April 1, 2016</b>	387	873	820	-	-	35	2,115
(Charged)/credited:							
- to statement of profit and loss	55	(23)	189	121	-	3	345
- to other comprehensive income	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	442	850	1,009	121	-	38	2,460
(Charged)/credited:							
- to statement of profit and loss	72	833	(18)	(3)	-	4	888
- to other comprehensive income	-	-	-	-	22	-	22
<b>As at March 31, 2018</b>	514	1,683	991	118	22	42	3,370

#### (ii) Movement in deferred tax liabilities

Particulars	Gain on financial assets mandatorily measured at FVTPL - mutual fund units	Changes in fair value on cash flow hedges	Amortizable goodwill	Total
<b>As at April 1, 2016</b>	217	288	142	647
(Charged)/credited:				
- to statement of profit and loss	73	-	-	73
- to other comprehensive income	-	246	-	246
<b>As at March 31, 2017</b>	290	534	142	966
(Charged)/credited:				
- to statement of profit and loss	76	-	(142)	(66)
- to other comprehensive income	-	(534)	-	(534)
<b>As at March 31, 2018</b>	366	-	-	366

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 8 Other non-current assets

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	1,147	986
Capital advances	24	-
<b>Total</b>	<b>1,171</b>	<b>986</b>

### 9 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	387	522
- advances to suppliers	469	364
Others:		
- Prepaid expenses	1,862	1,726
- Balance with government authorities	1,233	1,310
- Others	2	4
<b>Total</b>	<b>3,953</b>	<b>3,926</b>

### 10 (a) Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised:</b>		
4,75,00,000 equity shares of Rs. 10 each (4,75,00,000 shares of Rs. 10 each at March 31, 2017)	4,750	4,750
2,50,000 preference shares of Rs. 100 each (2,50,000 shares of Rs. 100 each at March 31, 2017)	250	250
<b>Total</b>	<b>5,000</b>	<b>5,000</b>
<b>Issued, subscribed and Paid up :</b>		
4,49,90,088 equity shares of Rs. 10 each (4,48,73,638 shares of Rs. 10 each at March 31, 2017)	4,499	4,487
<b>Total</b>	<b>4,499</b>	<b>4,487</b>

(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	Rs. In lakhs	Nos	Rs. In lakhs
At the beginning of the year	4,48,73,638	4,487	4,46,31,428	4,463
Add: Shares issued on exercise of employee stock options	1,16,450	12	2,42,210	24
<b>Outstanding at the end of the year</b>	<b>4,49,90,088</b>	<b>4,499</b>	<b>4,48,73,638</b>	<b>4,487</b>

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### (ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders in their general meeting on July 19, 2017 approved the Final dividend for FY 2016-17 of Rs. 7.00 per equity share. The total outflow of equity dividend and dividend tax thereon amounted to Rs. 3,576 lakhs including corporate dividend tax of Rs. 434 lakhs.

The board of directors in their meeting on January 18, 2018 declared an interim dividend of Rs. 5.00 per equity share. The total outflow of equity dividend and dividend tax thereon amounted to Rs. 2,684 lakhs including corporate dividend tax of Rs. 435 lakhs.

The Board of Directors in their meeting held on April 24, 2018 have recommended a final dividend of Rs. 7.00 Per equity share, subject to the approval of shareholders.

### (iii) 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
Marina Holdco (FPI) Limited	22.90%	1,03,01,294	22.96%	1,03,01,294
Summit Securities Limited	10.97%	49,36,107	10.96%	49,17,698
Swallow Associates LLP	26.92%	1,21,10,188	26.99%	1,21,10,188
Amansa Holdings Private Limited	4.75%	21,36,385	6.47%	29,01,855
Instant Holdings Limited	8.31%	37,37,826	7.56%	33,93,440

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding March 31, 2018 - Nil

(v) For details of Employee Stock Option Plans (ESOP), refer note 30.

## 10 (b) Reserves and surplus:

Particulars	As at March 31, 2018	As at March 31, 2017
Capital redemption reserve	442	442
Share based payment reserve	1,348	1,833
Retained earnings	21,824	18,403
Securities premium reserve	2,378	2,037
General reserve	94,853	84,631
Special economic zone re-investment reserve	180	180
<b>Total reserves and surplus</b>	<b>1,21,025</b>	<b>1,07,526</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 10 (c) Movement of Reserves and surplus

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Capital redemption reserve</b>		
Balance at the beginning and end of the year	442	442
<b>Share based payment reserve</b>		
Balance at the beginning of the year	1,833	868
Add: Recognition of Employee Share based payment expense (net)	369	1,014
Less: Stock options lapsed/cancelled during the year	222	13
Less: Transferred to Securities premium reserve on exercise of stock options	95	36
Less: Transferred to group company	537	-
<b>Balance as at the end of the year</b>	<b>1,348</b>	<b>1,833</b>
<b>Retained earnings</b>		
Balance as at the beginning of the year	18,403	13,646
Add: Profit for the year	19,258	18,022
<u>Add / (less) items of other comprehensive income recognised directly in retained earnings:</u>		
- Remeasurements of defined employee benefit plans (net of tax)	423	(475)
Less: Equity Dividends paid (including Dividend Distribution Tax)	6,260	2,610
Less: Transferred to general reserve	10,000	10,000
Less: Transferred to Special Economic Zone Re-investment Reserve	-	180
<b>Balance as at the end of the year</b>	<b>21,824</b>	<b>18,403</b>
<b>Securities premium reserve</b>		
Balance as at the beginning of the year	2,037	1,565
Add: Transferred from share based payment reserve on exercise of stock options	95	36
Add: Received on exercise of stock options	246	436
<b>Balance as at the end of the year</b>	<b>2,378</b>	<b>2,037</b>
<b>General reserve</b>		
Balance as at the beginning of the year	84,631	74,618
Add: Stock options lapsed/cancelled during the year	222	13
Add : Transferred from Retained earnings	10,000	10,000
<b>Balance as at the end of the year</b>	<b>94,853</b>	<b>84,631</b>
<b>Special economic zone re-investment reserve</b>		
Balance as at the beginning of the year	180	-
Add: Transferred from Retained earnings	-	180
<b>Balance as at the end of the year</b>	<b>180</b>	<b>180</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 10 (d) Other components of equity:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Cash flow hedging reserve</b>		
Balance at the beginning of the year	1,009	545
Effective portion of gain / (loss) on Cash Flow Hedge (net).	(1,593)	710
Tax impact	557	(246)
<b>Balance as at the end of the year</b>	<b>(27)</b>	<b>1,009</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(206)	(520)
Currency translation adjustments (net)	-	480
Tax impact	-	(166)
<b>Balance as at the end of the year</b>	<b>(206)</b>	<b>(206)</b>
<b>Total other components of equity</b>	<b>(233)</b>	<b>803</b>

#### 10 (e) Nature and purpose of each reserve within equity:

(i) **Capital redemption reserve:**

This reserve had been created out of general reserve in earlier years, being the nominal value of shares bought back. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) **Share based payment reserve:**

This reserve is used to record the fair value of equity-settled share based payment transactions. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options.

(iii) **Retained earnings:**

Retained earnings represents Company's undistributed earnings after taxes.

(iv) **Securities premium reserve:**

Securities premium reserve is used to record premium on issue of Equity shares. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(v) **Special economic zone re-investment reserve:**

This Reserve had been created out of profit of eligible SEZ units in accordance with the provision of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve can only be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the section 10AA(2) of the Income Tax Act, 1961.

(vi) **Cash flow hedging reserve:**

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sales. For hedging foreign currency risk the Company uses forward contracts which are designated as cash flow hedges. To the extent this hedge is effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the hedging reserve are reclassified to profit or loss when the hedged item affects profit or loss.

(vii) **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 or loss when the net investment is disposed of.

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 11 (a) Borrowings

Particulars	Maturity period	Terms of repayment	As at March 31, 2018	As at March 31, 2017
<b>Non-current borrowings</b>				
Long term maturities of finance lease obligations	Dec' 2017 to Apr' 2019	Monthly instalments	935	377
- Obligations under finance leases (Secured)				
<b>Total non current borrowings</b>			<b>935</b>	<b>377</b>
Less: Current maturities of finance lease obligations (included in note 11(b))			340	351
<b>Non-current borrowings</b>			<b>595</b>	<b>26</b>
<b>Current borrowings</b>				
- From banks (Secured)	N.A	Payable within six months from date of borrowing	-	1,459
<b>Current borrowings</b>			<b>-</b>	<b>1,459</b>

#### Non Current borrowings

Secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 730 lakhs (March 31, 2017: Rs. 40 Lakhs)

#### Current borrowings

Secured by the first pari passu charge on current assets and on select movable fixed assets.

#### 11 (b) Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Contingent consideration payable (Refer Note 34)	4,097	-
<b>Total - Other financial liabilities (Non-current)</b>	<b>4,097</b>	<b>-</b>
<b>Current</b>		
Contingent consideration payable (Refer Note 34)	3,100	-
Current maturities of finance lease obligations	340	351
Foreign currency derivative liabilities	674	-
Accrued salary and benefits	4,472	4,124
Unclaimed dividend	220	196
Capital creditors	21	207
Book overdrafts	1,861	178
Interest accrued on borrowings	-	0
Others	47	235
<b>Total - Other financial liabilities (Current)</b>	<b>10,735</b>	<b>5,291</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 12 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Trade payables **	9,020	5,373
<b>Total</b>	<b>9,020</b>	<b>5,373</b>
i. total outstanding dues of micro, medium and small enterprises *	-	-
ii. total outstanding dues of creditors other than micro, medium and small enterprises	9,020	5,373

\* The Company has compiled this information based on the current information in its possession. As at March 31, 2018, no supplier has intimated the Company about its status as a Micro or Small Enterprise or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

\*\* Trade payables include payable to related parties (Refer note 27)

#### 13 Provisions : Non-current

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Contingencies	88	79
<b>Total</b>	<b>88</b>	<b>79</b>

##### (i) Information about individual provisions

It pertains to Lease rentals related litigations. The timing and the amount of cash flows that will arise from this matter will be determined by the Appellate Authorities only on settlement of this case.

##### (ii) Movements in provisions

Movements in each class of provisions during the financial year, are set out below

Particulars	For the year March 31, 2018	For the year March 31, 2017
Opening Balance	79	73
Additional provisions accrued	12	12
Unused amounts reversed	-	(3)
Amounts used during the year	(3)	(3)
<b>Closing Balance</b>	<b>88</b>	<b>79</b>

#### 14 Employee benefit obligations

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non current</b>		
Provision for compensated absences	1,496	1,528
<b>Total</b>	<b>1,496</b>	<b>1,528</b>
<b>Current</b>		
Provision for compensated absences	1,061	1,193
Provision for gratuity (Refer Note (i) below)	432	1,309
<b>Total</b>	<b>1,493</b>	<b>2,502</b>

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(i) **Defined benefit plans:**

- a **Gratuity** - The company provides for gratuity for employees in accordance with the gratuity scheme of the Company. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net liability amount
<b>As at April 1, 2016</b>	5,983	(5,428)	555
Current service cost	1,165	-	1,165
Interest expense / (income)	470	(426)	44
<b>Total amount recognised in statement of profit and loss</b>	<b>1,635</b>	<b>(426)</b>	<b>1,209</b>
<b>Remeasurements</b>			
Return on plan assets	-	4	4
(Gain) / loss from change in financial assumptions	607	-	607
Experience (gains) / losses	116	-	116
<b>Total amount recognised in Other Comprehensive Income</b>	<b>723</b>	<b>4</b>	<b>727</b>
Contributions by the company	-	(555)	(555)
Benefit payments	(627)	-	(627)
<b>As at March 31, 2017</b>	<b>7,714</b>	<b>(6,405)</b>	<b>1,309</b>
Current service cost	1,457	-	1,457
Interest expense / (income)	561	(466)	95
<b>Total amount recognised in profit or loss</b>	<b>2,018</b>	<b>(466)</b>	<b>1,552</b>
<b>Remeasurements</b>			
Return on plan assets	-	(95)	(95)
(Gain) / loss from change in demographic assumptions	335	-	335
(Gain) / loss from change in financial assumptions	(471)	-	(471)
Experience (gains) / losses	(416)	-	(416)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(552)</b>	<b>(95)</b>	<b>(647)</b>
Liability Transferred In/ Acquisitions	168	-	168
Contributions by the company	-	(1,370)	(1,370)
Benefit payments	(580)	-	(580)
<b>As at March 31, 2018</b>	<b>8,768</b>	<b>(8,336)</b>	<b>432</b>

The net liability disclosed above relates to funded plans. The Company intends to contribute in line with the recommendations of the fund administrator and the actuary.

- b The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of obligation	8,768	7,714
Fair value of plan assets	(8,336)	(6,405)
<b>Total liability</b>	<b>432</b>	<b>1,309</b>

- c As at March 31, 2017 and March 31, 2018, plan assets were fully invested in insurer managed funds.
- d Through its defined benefit plans, the company is exposed to number of risks, the most significant of which are detailed below:

**Asset Volatility:** The Plan liabilities are calculated using a discount rate set with reference to bond yields.

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

If plan assets underperform, this yield will create a deficit. The plan asset investments are in fixed income securities with high grades. These are subject to interest rate risk.

**Changes in bond yield:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within the framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the process used to manage its risks from previous periods.

- e The Company expects to contribute Rs. 2,057 lakhs to the defined benefit plan during the next annual reporting period. Weighted average duration of the Projected Benefit Obligation is 12 Years (March 31, 2017 - 15 Years)
- f The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as of March 31, 2018.

Estimated benefit payments from the fund for year ending	As at March 31, 2018	As at March 31, 2017
March 31, 2018	N.A	151
March 31, 2019	325	148
March 31, 2020	275	155
March 31, 2021	363	233
March 31, 2022	448	352
March 31, 2023	417	390
Thereafter	3,064	2,907

- g **Provident fund :** The company makes contribution towards provident fund which is administered by the trustees. The contributions is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return. Company has obtained an actuarial valuation of the liability according to which there is no deficit as at the Balance Sheet date. The movement of liability and plan assets is as under:

#### ga Present Value of Defined Benefit Obligation

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Balance as at the beginning of the year</b>	<b>24,866</b>	<b>20,931</b>
Liability transferred (Refer Note 34)	574	1,609
Interest cost	2,124	1,694
Current service cost	1,495	1,339
Employee contribution	2,637	2,453
Benefit paid	(2,677)	(3,158)
Actuarial (gains)/losses	-	-
<b>Balance as at the end of the year</b>	<b>29,019</b>	<b>24,866</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### gb Fair value of Plan Assets (Restricted to the extent of Present Value of Obligation)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	25,269	21,225
Expected return on plan assets	2,124	1,694
Contributions by the company	4,131	3,791
Transfer from other company	574	1,609
Benefit paid	(2,677)	(3,158)
Actuarial gains/(losses)	(44)	108
<b>Balance as at the end of the year</b>	<b>29,377</b>	<b>25,269</b>

#### gc

Particulars	As at March 31, 2018	As at March 31, 2017
Assets and liabilities recognised in the balance sheet	-	-

#### gd Expenses recognised in the statement of profit and loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	1,495	1,339
Interest cost	2,124	1,694
Expected return on plan assets	(2,124)	(1,694)
Total expenses recognised in the statement of profit and loss	1,495	1,339

#### ge The plan assets have been primarily invested as follows :

Category of Assets	Year ended March 31, 2018	Year ended March 31, 2017
Central Government of India Assets	5,540	5,224
State Government of India Assets	7,923	5,965
Special Deposits Scheme	-	253
Private Sector Bonds	14,266	12,671
Equity / Mutual Funds	664	424
Cash and Cash Equivalents	131	213
Others	853	519
<b>Total</b>	<b>29,377</b>	<b>25,269</b>

#### gf The principal assumptions used for the purpose of actuarial valuation are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>India</b>		
Discount rate *	7.73%	7.27%
Salary escalation rate **	7.00%	7.00%
Rate of employee turnover		
-For services 4 years and below	13.00%	25.00%
-For services 5 years and above	3.00%	1.00%

\* Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

\*\* The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

- gg Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
- 1% increase in discount rate	(10.40%)	(12.87%)
- 1% decrease in discount rate	12.22%	15.42%
- 1% increase in salary escalation rate	12.19%	15.30%
- 1% decrease in salary escalation rate	(10.56%)	(13.01%)
- 1% increase in rate of employee turnover	0.44%	0.28%
- 1% decrease in rate of employee turnover	(0.59%)	(0.42%)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

(ii) **Defined contribution plans:**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Employees' Family Pension Fund	875	852
Contribution to Employees' Superannuation Fund	74	79

## 15 Other Current liabilities

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Statutory dues	974	1,059
Unearned revenue	732	740
<b>Total</b>	<b>1,706</b>	<b>1,799</b>

## 16 (a) Income tax assets and liabilities

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income tax assets (net)	1,807	2,142
Income tax liabilities (net)	832	157
<b>Net total</b>	<b>975</b>	<b>1,985</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### (b) Movement

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance	1,985	859
Income tax paid (net of refunds)	6,634	8,618
Current income tax expense (refer note 23 (i))	(7,474)	(7,640)
Adjustment for current tax of prior periods (refer note 23 (i))	100	91
Income tax on other comprehensive income (refer note 23 (iii))	(224)	86
Others	(46)	(29)
<b>Net total</b>	<b>975</b>	<b>1,985</b>

#### 17 Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Software development and allied services	1,25,817	1,22,441
Sale of licenses for software applications	2,764	4,798
<b>Total</b>	<b>1,28,581</b>	<b>1,27,239</b>

#### 18 Other income (net)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Interest Income from financial assets - Carried at amortised cost</b>		
- On deposits with banks	70	82
- Others	322	133
<b>Dividend Income on investments carried at cost</b>		
- From subsidiaries	1,124	430
- Dividend income on investments at FVTPL - Mutual fund units	132	38
Net gain on financial assets mandatorily measured at FVTPL	720	916
Profit on sale of investments measured at FVTPL - Mutual fund units	637	481
Net foreign exchange gain / (loss)	1,948	(1,048)
Finders' fees	940	863
Profit on sale of fixed assets (net)	43	28
Provisions no longer required and credit balances written back	115	37
Miscellaneous Income	224	212
<b>Total</b>	<b>6,275</b>	<b>2,172</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 19 Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	69,219	66,078
Contribution to provident and other funds (Refer note 14)	4,060	3,525
Employee share-based payment expense (net of recoveries)	82	199
Staff welfare expenses	1,564	1,591
<b>Total</b>	<b>74,925</b>	<b>71,393</b>

#### 20 Finance Costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on:		
- Loans	34	24
- Finance lease	107	78
- Fair value of contingent consideration	994	-
- Others	33	21
Bank charges	46	44
<b>Total</b>	<b>1,214</b>	<b>167</b>

#### 21 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	2,513	1,907
Amortization of intangible assets	2,097	1,481
<b>Total</b>	<b>4,610</b>	<b>3,388</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### 22 Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent (Refer Note 13)	4,163	3,823
Rates and taxes	344	843
Electricity and power	1,162	1,199
Travelling and conveyance	5,138	4,594
Recruitment expenses	422	418
Training expenses	539	568
Repairs and maintenance to :		
- Plant and machinery	215	323
- Data Processing Equipments	1,117	755
- Building	1,106	1,075
- Others	140	152
Insurance	301	258
Legal and professional charges	2,533	2,017
Directors' fees and commission	302	322
Payments to auditors (refer note 22 (b) below)	80	109
Communication expenses	1,005	926
General Office expenses	565	601
Advertisement and publicity	270	579
Expenditure towards Corporate social responsibility (See Note 22 (a))	498	559
<b>Allowance for doubtful trade receivables and unbilled revenues</b>		
- Provided during the year	4,015	679
- Bad debts written off	388	116
- Less: Reversed during the year	1,774	546
	<b>2,629</b>	<b>249</b>
<b>Allowance for doubtful advances</b>		
- Provided during the year	-	9
- Bad debts written off	-	-
- Less: Reversed during the year	-	-
	-	<b>9</b>
Miscellaneous expenses	618	391
<b>Total</b>	<b>23,147</b>	<b>19,770</b>

#### 22 (a) Expenditure towards Corporate social responsibility

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent by the Company during the year	504	574
<b>Total</b>	<b>504</b>	<b>574</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Amount spent during the year on	Year ended March 31, 2018	Year ended March 31, 2017
a. Construction/ acquisition of any asset	-	-
b. On purposes other than (a) above	498	559
<b>Total</b>	<b>498</b>	<b>559</b>

## 22 (b) Details of payments to auditors (Refer note 37)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditors :		
- Audit Fee	65	65
- Tax audit Fee	-	7
In other capacity, in respect of :		
- other services [certification]	10	35
Reimbursement of expenses	5	2
<b>Total</b>	<b>80</b>	<b>109</b>

## 23 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	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income tax expense</b>		
<b>Current Tax</b>		
Current tax on profits for the year	7,474	7,640
Adjustment for current tax of prior periods	(100)	(91)
<b>Total current tax expense</b>	<b>7,374</b>	<b>7,549</b>
<b>Deferred tax</b>		
Decrease / (increase) in deferred tax assets	(888)	(345)
(Decrease) / increase in deferred tax liabilities	(66)	73
<b>Total deferred tax expense / (benefit)</b>	<b>(954)</b>	<b>(272)</b>
<b>Income tax expense</b>	<b>6,420</b>	<b>7,277</b>

- 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 commences 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 further five years subject to certain 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.

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before taxes	25,678	25,299
Enacted income tax rate in India	34.61%	34.61%
<b>Computed expected tax expenses</b>	<b>8,887</b>	<b>8,756</b>
Effect of income exempt from tax	(2,020)	(1,346)
Effect of non deductible expenses	35	380
Changes in unrecognized deferred tax assets (net)	-	(121)
Income taxed at higher/(lower) rates	(382)	(300)
Income tax relating to prior years	(100)	(91)
	<b>6,420</b>	<b>7,277</b>

#### (iii) Tax on the amounts recognised directly in OCI:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Income tax	Deferred tax	Income tax	Deferred tax
Fair value changes on cash flow hedges	-	557	-	(246)
Remeasurements of post employment benefit obligations	(224)	-	252	-
Exchange difference on translation of foreign operations	-	-	(166)	-
<b>Total</b>	<b>(224)</b>	<b>557</b>	<b>86</b>	<b>(246)</b>

#### (iv) Tax losses

Particulars	As at March 31, 2018	As at March 31, 2017
Unutilised tax losses on which deferred tax asset has been recognised	505	525
Potential tax benefit @ 23.296%	118	121

#### (v) Changes in tax rate - The applicable Indian statutory tax rate for the financial year 2017-18 and financial year 2016-17 is 34.61%

# Notes to the Financial Statements

## as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 24 Fair value measurements

#### Financial instruments by category:

Particulars	As at March 31, 2018					As at March 31, 2017				
	FVTPL	FVOCI	Derivative financial assets	Amortised cost	Total	FVTPL	FVOCI	Derivative financial assets	Amortised cost	Total
<b>Financial assets</b>										
Investments:										
- equity instruments (*)	-	0	-	-	0	-	0	-	-	0
- mutual funds & Non Convertible Debentures	25,091	-	-	-	25,091	21,965	-	-	-	21,965
Trade receivables	-	-	-	71,041	71,041	-	-	-	59,681	59,681
Loans	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	4,389	4,389	-	-	-	5,875	5,875
Other bank balances	-	-	-	224	224	-	-	-	196	196
Foreign currency derivative assets	-	-	167	-	167	-	-	1,544	-	1,544
Security deposits	-	-	-	1,590	1,590	-	-	-	1,463	1,463
Unbilled revenue	-	-	-	18,069	18,069	-	-	-	17,431	17,431
Others	-	-	-	2,731	2,731	-	-	-	3,640	3,640
<b>Total financial assets</b>	<b>25,091</b>	<b>0</b>	<b>167</b>	<b>98,044</b>	<b>1,23,302</b>	<b>21,965</b>	<b>0</b>	<b>1,544</b>	<b>88,286</b>	<b>1,11,795</b>
<b>Financial liabilities</b>										
Borrowings	-	-	-	935	935	-	-	-	1,836	1,836
Trade payables	-	-	-	9,020	9,020	-	-	-	5,373	5,373
Capital creditors	-	-	-	21	21	-	-	-	207	207
Foreign currency derivative liabilities	-	-	674	-	674	-	-	-	-	-
Contingent consideration	7,197	-	-	-	7,197	-	-	-	-	-
Other financial liabilities	-	-	-	6,600	6,600	-	-	-	4,733	4,733
<b>Total financial liabilities</b>	<b>7,197</b>	<b>-</b>	<b>674</b>	<b>16,576</b>	<b>24,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,149</b>	<b>12,149</b>

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

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(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. An explanation of each level follows underneath the table.

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements</i> At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<i>Financial investments at FVTPL</i>					
Mutual funds and Non Convertible Debentures	6 (a) , 6 (b)	25,091	-	-	25,091
<i>Financial investments at FVOCI</i>					
Equity instruments	6 (a)	0	-	0	0
<i>Derivatives designated as cash flow hedges</i>					
Foreign currency derivative assets	6 (h)	-	167	-	167
<b>Total financial assets</b>		<b>25,091</b>	<b>167</b>	<b>0</b>	<b>25,258</b>
<b>Financial liabilities</b>					
Contingent consideration	11 (b)	-	-	7,197	7,197
Foreign currency derivative liabilities	11 (b)	-	674	-	674
<b>Total financial liability</b>		<b>-</b>	<b>674</b>	<b>7,197</b>	<b>7,871</b>
<i>Financial assets and liabilities measured at fair value - recurring fair value measurements</i> At March 31, 2017					
<b>Financial assets</b>					
<i>Financial investments at FVTPL</i>					
Mutual funds	6 (a) , 6 (b)	21,965	-	-	21,965
<i>Financial investments at FVOCI</i>					
Equity instruments	6 (a)	0	-	0	0
<i>Derivatives designated as cash flow hedges</i>					
Foreign currency derivative assets	6 (h)	-	1,544	-	1,544
<b>Total financial assets</b>		<b>21,965</b>	<b>1,544</b>	<b>0</b>	<b>23,509</b>

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.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(ii) **Fair value measurement using significant Unobservable Inputs (Level 3)**

The following table presents the changes in level 3 items for the year ended March 31, 2018 and March 31, 2017

Particulars	Unlisted Equity Securities	Contingent Consideration
As at March 31, 2016	0	-
Fair value gain/(losses) recognized in profit and loss	-	-
FCTR gain/(losses) recognized in other comprehensive income	-	-
As at March 31, 2017	0	-
Acquisitions / (disposal)	-	6,150
Fair value gain/(losses) recognized in profit and loss	-	994
FCTR gain/(losses) recognized in other comprehensive income	-	-
Foreign Exchange fluctuation	-	53
As at March 31, 2018	0	7,197

(iii) **Valuation inputs and relationships to fair value**

Particulars	Fair value		Significant unobservable inputs	Probability-weighted range		Sensitivity
	As at March 31, 2018	As at March 31, 2017		As at March 31, 2018	As at March 31, 2017	
Contingent consideration	7,197	-	Expected cash outflows	8,069	-	If expected cash flows were 10% lower, the FV would decrease by Rs. 722 lakhs
			Discount rate	16.32%	-	A change in discount rate by 100 bps would increase / decrease the FV by Rs. 48 lakhs

(iii) 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 equivalents
3. Other balances with banks
4. Security deposits
5. Amount deposited under protest
6. Unbilled revenue
7. Contractually reimbursable expenses
8. Interest accrued on deposits
9. Borrowings
10. Trade payables
11. Capital creditors
12. Unpaid dividends
13. Accrued salary and benefits
14. Book overdrafts
15. Other Payables

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 25 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 uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments. 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

##### (i) Foreign currency risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United States, South Africa, United Kingdom and elsewhere, and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected positively/adversely as the rupee appreciates/ depreciates against these currencies. The Company evaluates exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company follows established risk management policies, to hedge forecasted cash flows denominated in foreign currency. The Company has designated certain derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

aa The Company's exposure to foreign currency risk as of March 31, 2018 expressed in INR, is as follows:

Particulars	As at March 31, 2018				
	USD	GBP	ZAR	Other currencies	Total
<b>Financial assets</b>					
Cash and cash equivalents	302	-	2,106	707	3,115
Trade receivables	8,647	1,936	5,899	788	17,270
Other assets	12,574	2,001	2,245	198	17,018
<b>Financial liabilities</b>					
Trade payables	375	52	4,518	1,252	6,197
Employee benefit obligations	0	-	203	56	259
Other liabilities	7,197	-	130	57	7,384
<b>Net assets / (liabilities)</b>	<b>13,951</b>	<b>3,885</b>	<b>5,399</b>	<b>328</b>	<b>23,563</b>

ab The Company's exposure to foreign currency risk as of March 31, 2017 expressed in INR, is as follows:

Particulars	As at March 31, 2017				
	USD	GBP	ZAR	Other currencies	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,478	137	-	1,547	3,162
Trade receivables	39,630	4,823	3,687	3,188	51,328
Other assets	13,495	2,349	1,051	322	17,217
<b>Financial liabilities</b>					
Trade payables	487	49	0	692	1,228
Employee benefit obligations	0	-	-	1,038	1,038
Other liabilities	103	-	-	384	487
<b>Net assets / (liabilities)</b>	<b>54,013</b>	<b>7,260</b>	<b>4,738</b>	<b>2,943</b>	<b>68,954</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

#### ad Sensitivity

For the year ended March 31, 2018 and March 31, 2017, every percentage point appreciation/depreciation in the exchange rate, it may affect the Company's incremental operating margins respectively.

- INR/USD by approximately 0.48% and 0.48% ,
- INR/ZAR by approximately 0.09% and 0.06% ,
- INR/GBP by approximately 0.09% and 0.07%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into reporting currency, due to every percentage point appreciation/depreciation in the exchange rates.

#### ae Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange contracts:

Particulars	March 31, 2018		March 31, 2017	
	Amount of contracts in lakhs	Fair Value – Gain / (Loss) (INR in lakhs)	Amount of contracts in lakhs	Fair Value – Gain / (Loss) (INR in lakhs)
<b>Derivatives designated as cash flow hedges</b>				
<b>Forward contracts</b>				
In USD	100	109	293	1,348
In GBP	17	(98)	25	192
In ZAR	345	(60)	50	4
<b>Total forwards</b>		<b>(49)</b>		<b>1,544</b>

The foreign exchange forward contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Particulars	March 31, 2018	March 31, 2017
Not later than one month	18	341
Later than one month and not later than three months	(27)	440
Later than three months and not later than one year	(40)	763

During the year ended March 31, 2018, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sale transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

The following table provides the reconciliation of Cash flow hedging reserve:

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning of the year	1,009	545
Gain recognised in OCI during the year	(1,593)	710
Tax impact on above	557	(246)
<b>Balance at the end of the year</b>	<b>(27)</b>	<b>1,009</b>

### (ii) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2018	March 31, 2017
Variable rate borrowings	-	1,459
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>-</b>	<b>1,459</b>

### 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.

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates - increase by 50 basis points (50 bps)	-	(12.55)
Interest rates - decrease by 50 basis points (50 bps)	-	12.55

### (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 Rs. 71,041 lakhs and Rs. 59,681 lakhs as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to Rs. 18,069 lakhs and Rs. 17,431 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, South Africa, United Kingdom and elsewhere. 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:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from top customer	8.01%	14.95%
Revenue from top five customers	31.39%	43.22%

#### bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was Rs. 5,092 lakhs and Rs. 2,851 lakhs, respectively. The increase of allowance for life time expected credit losses on customer balances for the year ended March 31, 2018 was Rs. 4,015 lakhs and Rs. 679 lakhs in March 31, 2017.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning of the year	2,851	2,718
Allowance for doubtful debts	4,015	679
Reversal of Allowance for doubtful debts	(1,774)	(546)
<b>Balance at the end</b>	<b>5,092</b>	<b>2,851</b>

**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.

Particulars	As at March 31, 2018				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	595	-	595	-	595
Trade payables	9,020	9,020	-	-	9,020
Other liabilities	14,832	10,735	4,097	-	14,832

Particulars	As at March 31, 2017				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	1,485	1,459	26	-	1,485
Trade payables	5,373	5,373	-	-	5,373
Other liabilities	5,291	5,291	-	-	5,291

## 26 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(a) & 11(b) and 6(e) & 6(f) 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.

# Notes to the Financial Statements

## as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 27 Related party disclosures

#### A List of related parties

##### (i) List of subsidiaries

Name	Country of Incorporation	Ownership interest	Relationship
Zensar Technologies (Singapore) Pte. Limited (refer note (iv) below)	Singapore	100%	Subsidiary
Zensar (Africa) Holdings Proprietary Limited	South Africa	100%	Subsidiary
Zensar Technologies (Shanghai) Company Limited	China	100%	Subsidiary
Zensar Technologies (UK) Limited (refer note (i) below)	United Kingdom	100%	Subsidiary
Zensar Technologies, Inc. (refer note (ii) below)	United States of America	100%	Subsidiary
Keystone Logic Inc. (refer note (ii) below)	United States of America	100%	Step-down Subsidiary
Zensar Info Technologies (Singapore) Pte. Limited (refer note (iv) below)	Singapore	100%	Step-down Subsidiary
Zensar Information Technologies Limited (refer note (v) below)	India	100%	Subsidiary
Zensar Software Technologies Limited (refer note (v) below)	India	100%	Subsidiary
Zensar IT Services Limited (refer note (v) below)	India	100%	Subsidiary
PSI Holding Group, Inc	United States of America	100%	Step-down Subsidiary
Zensar Technologies IM Inc.	United States of America	100%	Step-down Subsidiary
Zensar Technologies IM B.V.	Netherlands	100%	Step-down Subsidiary
Professional Access Limited	United States of America	100%	Step-down Subsidiary
Foolproof Limited (refer note (i) and (iii) below)	United Kingdom	100%	Step-down Subsidiary
Flow Interactive Limited (refer note (i) and (iii) below)	United Kingdom	Refer note (i) below	Step-down Subsidiary
Knit Limited (refer note (i) below)	United Kingdom	100%	Step-down Subsidiary
Foolproof (SG) Pte Limited (refer note (i) below)	Singapore	100%	Step-down Subsidiary
Zensar Advanced Technologies Limited	Japan	Refer note (vi) below	Subsidiary
Zensar (South Africa) Proprietary Limited	South Africa	75%	Step-down Subsidiary

##### Notes:

- (i) The Company, on November 2, 2016, through its 100% subsidiary Zensar Technologies (UK) Limited, vide agreement, completed the acquisition of acquiring 100% stake in Foolproof Limited, based in UK. Foolproof is one of Europe's leading experience design agencies, headquartered in London with other offices in Norwich and Singapore. The company helps global brands design better, and more relevant, digital products and services for customers based on a deep understanding of consumer behaviour, their clients' business and new technology. Foolproof has three 100% subsidiaries namely Knit Limited, Foolproof (SG) Pte Limited and Flow Interactive Limited.
- (ii) The Company, on April 1, 2017 through agreement dated March 30, 2017, completed the acquisition of:
  - acquiring 100 % stake in Keystone Logic Inc. through its 100 % Zensar Technologies Inc; and
  - business from Keystone Logic Solutions Private Limited through a Agreement dated March 30, 2017.
 Accordingly, Keystone Logic Inc. became 100 % subsidiary of Zensar Technologies Inc wef 1st April 2017
- (iii) Flow Interactive, a 100% subsidiary of Foolproof Limited, was voluntary liquidated on 7th November 2017
- (iv) Zensar Technologies (Singapore) Pte. Limited incorporated a new 100% subsidiary in Singapore namely

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Zensar Info Technologies (Singapore) Pte. Limited on 05.09.2017.

- (v) in FY 2017-18, the company incorporated 3 100% subsidiaries in India namely Zensar Information Technologies Limited, Zensar Software Technologies Limited and Zensar IT Services Limited.
- (vi) Zensar Advance Technologies Limited (company's 100% subsidiary in Japan), has been voluntarily liquidated as per the local laws in Japan. The company has applied to RBI for approval for write off from the books of accounts and waiting for their approval.

### (ii) Key Management Personnel

Name	Designation	Tenure
H.V Goenka	Chairman	
Sandeep Kishore	Chief Executive Officer and Managing Director	From 12th January 2016
Ganesh Natarajan	Vice Chairman and Managing Director	Till 30th April 2016
S. Balasubramaniam	Chief Financial Officer	Till 15th January 2017
Manoj Jaiswal @	Chief Financial Officer	W.e.f 16th January 2017 - Till 4th December 2017
Navneet Khandelwal	Chief Financial Officer	W.e.f 18th January 2018
Nilesh Limaye	Company Secretary	Till 31st January 2018
Gaurav Tongia	Company Secretary	W.e.f 1st February 2018
A.T. Vaswani	Non-Executive Director	
P.K. Mohapatra	Non-Executive Director	Till 13th March 2017
Arvind Agrawal	Non-Executive Director	
Venkatesh Kasturirangan	Non-Executive Director	
Madhabi Puri Buch	Non-Executive Director	Till 3rd April 2017
Sudip Nandy	Non-Executive Director	
Shashank Singh	Non-Executive Director	
Ben Druskin	Non-Executive Director	W.e.f 3rd November 2017
Ketan Dalal	Non-Executive Director	W.e.f 3rd November 2017
Tanuja Randrey	Non-Executive Director	W.e.f 18th January 2018
Harsh Mariwala	Non-Executive Director	W.e.f 18th January 2018

@ Nomination and Remuneration committee and Audit Committee meeting held on December 20, 2016, it was resolved that Manoj Jaiswal was appointed as Chief Financial Officer of the company with effect from January 16, 2017 in place of CFO S. Balasubramaniam.

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

Name	Nature
RPG Enterprises	Entities where key management personnel have significant influence
Harrisons Malayalam Limited	
KEC International Limited	
Raychem RPG Limited	
RPG Life Sciences Limited	
RPG Art Foundation	
CEAT Speciality Tyres Limited	
Spencers International Hotel Limited	
RPG Foundation	
CEAT Limited	

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(iv) **Post employment benefit plans:**

Zensar PF Trust  
Zensar Gratuity trust  
Zensar Superannuation Trust

(v) **Entities which have the ability to exercise influence over the company:**

Swallow Associates LLP	Secura India Trust through Trustee, H.V. Goenka
Summit Securities Limited	Sudarshan Electronics and TV Ltd
Instant Holdings Limited	Stellar Energy Trust through Trustee, H.V. Goenka
Sofreal Mercantrade Private Limited	Nucleus Life Trust through Trustee, H.V. Goenka
Chattarpati Apartments LLP	Monitor Portfolio Trust through Trustee, H.V. Goenka
Crystal India Tech Trust through Trustee, H.V. Goenka	Prism Estates Trust through Trustee, H.V. Goenka
	Marina Holdco (FPI) Ltd.

### B Transactions with Related Parties

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2017	
				Receivable	Payable	Receivable	Payable
	<b>Revenue from rendering services</b>						
(i)	Zensar Technologies, Inc.	54,455	51,374	48,182	-	37,965	-
(ii)	Zensar Technologies (UK) Limited	12,412	10,919	8,889	-	5,931	-
(iii)	Professional Access Limited	13,427	19,136	6,691	-	6,471	-
(iv)	Zensar Technologies IM Inc.	1,914	2,734	1,637	-	3,005	-
(v)	Zensar (South Africa) Proprietary Limited	19,394	14,395	10,335	-	8,358	-
(vi)	RPG Life Sciences Limited	41	63	-	-	15	-
(vii)	RPG Enterprises	341	276	393	-	5	-
(viii)	CEAT Limited	130	53	153	-	-	-
(ix)	Harrisons Malayalam Limited	-	-	5	-	5	-
(x)	Zensar Technologies (Singapore) Pte. Limited	283	333	33	-	110	-
(xi)	Zensar Advanced Technologies Limited	-	-	***133	-	***133	-
(xii)	Zensar Technologies (Shanghai) Company Limited	-	-	40	-	36	-
(xiii)	Zensar Technologies IM B.V.	205	298	275	-	426	-
(xiv)	Keystone Logic Inc	6,336	-	1,922	-	-	-
(xv)	CEAT Speciality Tyres Limited	35	-	-	-	-	-
	<b>Total of Revenue from rendering services</b>	<b>1,08,973</b>	<b>99,581</b>	<b>78,688</b>	<b>-</b>	<b>62,460</b>	<b>-</b>
	<b>Subcontracting costs</b>						
(i)	Zensar Technologies (Singapore) Pte. Limited	47	78	-	33	-	51
(ii)	Zensar Technologies (Shanghai) Company Limited	-	-	-	36	-	36
(iii)	Zensar Technologies IM Inc.	270	1	-	275	-	3
(iv)	Professional Access Limited	-	-	-	1	-	-
(v)	Zensar (South Africa) Proprietary Limited	312	-	-	312	-	-
	<b>Total of Subcontracting costs</b>	<b>629</b>	<b>79</b>	<b>-</b>	<b>657</b>	<b>-</b>	<b>90</b>
	<b>Other Income</b>						
(i)	Zensar Technologies, Inc.	422	539	339	-	407	-
(ii)	Zensar Technologies (UK) Limited	510	337	432	-	224	-
(iii)	Professional Access Limited	42	55	-	-	-	-
(iv)	KEC International Limited	-	-	0	-	0	-
(v)	CEAT Limited	-	8	4	-	1	-
	<b>Total of Other Income</b>	<b>974</b>	<b>939</b>	<b>775</b>	<b>-</b>	<b>632</b>	<b>-</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2017	
				Receivable	Payable	Receivable	Payable
	<b>Dividend income received:</b>						
(i)	Zensar Technologies (Singapore) Pte. Limited	-	430	-	-	-	-
(ii)	Zensar (Africa) Holdings Proprietary Limited	1,124	-	-	-	-	-
	<b>Total of Dividend income received</b>	<b>1,124</b>	<b>430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Cost recharges debited to the company</b>						
(i)	RPG Enterprises	1,451	1,268	-	168	-	96
(ii)	CEAT Limited	7	15	-	-	-	-
(iii)	Harrisons Malayalam Limited	1	0	-	1	-	-
(iv)	Zensar (South Africa) Proprietary Limited	3,763	-	-	3,763	-	-
	<b>Total of Cost recharges debited to the company</b>	<b>5,222</b>	<b>1,283</b>	<b>-</b>	<b>3,932</b>	<b>-</b>	<b>96</b>
	<b>Reimbursement of expenses incurred</b>						
(i)	Zensar Technologies, Inc.	1,689	2,366	39	-	1,482	-
(ii)	Zensar Technologies (UK) Limited	1,815	2,288	726	-	1,054	-
(iii)	Zensar Technologies (Singapore) Pte. Limited	21	22	2	-	5	-
(iv)	Zensar Advanced Technologies Limited	-	-	*18	-	*18	-
(v)	Zensar Technologies (Shanghai) Company Limited	-	2	*132	-	*132	-
(vi)	Zensar Technologies IM Inc.	134	267	359	10	223	10
(vii)	Zensar (South Africa) Proprietary Limited	1,451	918	867	-	279	-
(viii)	Professional Access Limited	186	470	147	-	589	331
(ix)	Zensar Information Technologies Limited	3	-	3	-	-	-
(x)	Zensar Software Technologies Limited	3	-	3	-	-	-
(xi)	Zensar Technologies IM B.V.	5	-	5	-	-	-
(xii)	Keystone Logic Inc	10	-	10	-	-	-
	<b>Total of Reimbursement of expenses incurred</b>	<b>5,317</b>	<b>6,333</b>	<b>2,311</b>	<b>10</b>	<b>3,782</b>	<b>341</b>
	<b>Loans granted/ (repaid)</b>						
(i)	Zensar Advanced Technologies Limited	-	-	**1,081	-	**1,081	-
(ii)	Zensar Technologies (Shanghai) Company Limited	-	-	**78	-	**78	-
	<b>Total of loans granted/ (repaid)</b>	<b>-</b>	<b>-</b>	<b>1,159</b>	<b>-</b>	<b>1,159</b>	<b>-</b>
	<b>Interest income</b>						
(i)	Zensar Advanced Technologies Limited	-	-	**212	-	**212	-
(ii)	Zensar Technologies (Shanghai) Company Limited	-	-	**20	-	**20	-
	<b>Total of interest income</b>	<b>-</b>	<b>-</b>	<b>232</b>	<b>-</b>	<b>232</b>	<b>-</b>
	<b>Dividend on Equity Shares Paid</b>	<b>2018</b>	<b>2017</b>				
(i)	Swallow Associates LLP	1,453	606	-	-	-	-
(ii)	Summit Securities Limited	591	246	-	-	-	-
(iii)	Instant Holdings Limited	415	170	-	-	-	-
(iv)	Sofreal Mercantrade Private Limited	135	56	-	-	-	-
(v)	Chattarpati Apartments LLP	5	-	-	-	-	-
(vi)	Crystal India Tech Trust through Trustee, H.V Goenka	27	10	-	-	-	-
(vii)	Secura India Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(viii)	Sudarshan Electronics and TV Ltd	0	0	-	-	-	-
(ix)	Stellar Energy Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(x)	Nucleus Life Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(xi)	Monitor Portfolio Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(xii)	Prism Estates Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(xiii)	H.V Goenka	4	1	-	-	-	-
(xiv)	S. Balasubramaniam	5	2	-	-	-	-

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2017	
				Receivable	Payable	Receivable	Payable
(xv)	Manoj Jaiswal	0	0	-	-	-	-
(xvi)	A.T. Vaswani	1	1	-	-	-	-
(xvii)	Harsh Mariwala	0	-	-	-	-	-
(xviii)	Marina Holdco (FPI) Ltd	1,236	515	-	-	-	-
	<b>Total of Dividend on Equity Shares paid</b>	<b>3,872</b>	<b>1,607</b>	-	-	-	-
	<b>Investment in Subsidiaries</b>						
(i)	Zensar Information Technologies Limited	60	-	-	-	-	-
(ii)	Zensar Software Technologies Limited	80	-	-	-	-	-
	<b>Total of Investment in Subsidiaries</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Donations</b>						
(i)	RPG Art Foundation	15	15	-	-	-	-
(ii)	RPG Foundation	329	414	-	-	-	-
	<b>Total of Donations made</b>	<b>344</b>	<b>429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Compensation of Key management personnel #

	Particulars	For the Year ended March 31, 2018					
		Sandeep Kishore	S. Balasubramaniam	Manoj Jaiswal	Navneet Khandelwal	Nilesh Limaye	Gaurav Tongia
1	Short Term Benefits	## 13	45	117	51	40	15
2	Post-Employment Benefits	2	63	4	1	7	1
3	Long-term Employee benefits	-	-	1	-	3	-
4	Prequisite value of Employee Stock options	-	-	-	-	-	-
	<b>Total of Compensation of Key management personnel</b>	<b>15</b>	<b>108</b>	<b>122</b>	<b>52</b>	<b>50</b>	<b>16</b>
	<b>Outstanding as on March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>3</b>

# doesn't include the provision for Gratuity and Leave Encashment as these are provided at the company level.

	Particulars	For the Year ended March 31, 2017				
		Sandeep Kishore	Ganesh Natarajan	S. Balasubramaniam	Manoj Jaiswal	Nilesh Limaye
1	Short Term Benefits	## 13	466	81	26	37
2	Post-Employment Benefits	2	110	5	1	1
3	Long-term Employee benefits	-	17	-	-	-
4	Prequisite value of Employee Stock options	-	-	76	-	-
	<b>Total of Compensation of Key management personnel</b>	<b>15</b>	<b>593</b>	<b>162</b>	<b>27</b>	<b>38</b>
	<b>Outstanding as on March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>5</b>	<b>5</b>

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Directors Fees & Commission	For the year ended March 31, 2018	For the year ended March 31, 2017
H.V Goenka	215	292
P. K. Choksey	-	5
A.T. Vaswani	16	19
P.K. Mohapatra	6	17
Arvind Agrawal	12	7
Venkatesh Kasturirangan	11	12
Madhabi Puri Buch	6	12
Sudip Nandy	14	11
Shashank Singh	13	15
Ben Druskin	3	-
Ketan Dalal	4	-
John Levack	-	3
Tanuja Randrey	2	-
Harsh Mariwala	1	-
<b>Total Directors Fees and Commission</b>	<b>303</b>	<b>393</b>
<b>Outstanding Payable</b>	<b>250</b>	<b>259</b>

#### Stock Options of Key Management Personnel's

Particulars	Year ended 31st March 2018				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	2,50,000	-	1,25,000	-	1,25,000
Ganesh Natrajan	12,000	-	-	-	12,000
S. Balasubramaniam	-	-	-	-	-
Manoj Jaiswal	-	-	-	-	-
Nilesh Limaye	2,000	-	200	-	1,800
Navneet Khandelwal	-	-	-	-	-

Particulars	Year ended 31st March 2017				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	1,25,000	1,25,000	-	-	2,50,000
Ganesh Natrajan	12,000	-	-	-	12,000
S. Balasubramaniam	8,000	-	-	8,000	-
Manoj Jaiswal	-	-	-	-	-
Nilesh Limaye	2,000	-	-	-	2,000
Navneet Khandelwal	-	-	-	-	-

The above table includes aggregate number of Stock options granted under the existing ESOP schemes of the company.

Out of total cancellation of 1,25,000 stock options granted to Sandeep Kishore under 2006 ESOP, 1,00,000 have been cancelled on account of voluntary surrender of stock options granted to him under ESOP 2006.

\* The provision of Rs. 150 Lakhs (previous year: Rs. 150 lakhs) has been made against such receivables from Zensar Advanced Technologies Limited and Zensar Technologies (Shanghai) Company Limited

\*\* The provision of Rs. 1,391 Lakhs (previous year: Rs. 1,391 Lakhs) has been made against such loan and interest receivable.

\*\*\* A provision of Rs 133 lakhs (previous year : 133 lakhs) has been made on Intercompany receivables against the software services rendered.

## Sandeep Kishore remuneration excludes Rs. 945 lakhs (previous year: Rs. 1,032 lakhs) paid as remuneration by Zensar Technologies Inc.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 28 Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) <u>Income Tax:</u>		
Matters decided in favour of the Company by appellate authorities, where the Income Tax Department is in further appeal.	980	981
Matters on which the Company is in appeal	1,271	815
(b) <u>Sales Tax / Value Added Tax:</u>		
Claims against the Company regarding sales tax against which the Company has preferred appeals.	233	233
(c) Claims against the Company regarding service tax against which the Company has preferred an appeal.	11	11
(d) Claim in respect of rented premises.	247	235
(e) Claims against the Company not acknowledged as debts.	1,324	1,413
(f) Standby letter of credit USD 250 lakhs by the Company's bankers in respect of working capital facilities availed by company's wholly owned subsidiary.	-	16,213
(g) Bank Guarantees	2,775	2,108

### 29 Commitments

#### (a) Capital Commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Property plant and equipment	1,051	1,688
Intangible assets	108	444

#### (b) Non- cancellable operating leases

The Company has taken on lease certain facilities and equipment under operating lease arrangements that expire over the next five years. Rental expense incurred by the Company under operating lease agreements Rs.4,163 lakhs (March 31, 2017 Rs. 3,823 lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Future minimum lease payments in respect of non-cancellable operating leases</b>		
Not later than one year	2,592	1,605
Later than one year and not later than five years	2,862	5,829
Later than five years	-	-

#### (c) Finance lease: Company as lessee

The Company has taken Data processing equipments on finance lease. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are, as follows:

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

-Minimum lease payments	As at March 31, 2018	As at March 31, 2017
Not later than one year	354	372
Later than one year but not later than five years	669	26
Later than five years	-	-
<b>Total</b>	<b>1,023</b>	<b>398</b>

-Present value of minimum lease payments	As at March 31, 2018	As at March 31, 2017
Not later than one year	340	352
Later than one year but not later than five years	595	25
Later than five years	-	-
<b>Total</b>	<b>935</b>	<b>377</b>

-Reconciliation of minimum lease payments and present value	As at March 31, 2018	As at March 31, 2017
Minimum lease rentals payable	1,023	398
Less: Finance charges to be recognized in subsequent periods	88	21
Present value of minimum lease payments payable	935	377

### 30 Share based payments

#### (a) Employee Stock Option Plan, 2002 (2002 ESOP) and Employee Stock Option Plan, 2006 (2006 ESOP)

Under the 2002 ESOP and 2006 ESOP schemes, participants are granted options which vest equally over a period of 5 years from the date of grant. Participation in the plan is at the discretion of the Nomination and Remuneration Committee (NRC) and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

- The exercise price is determined based on the market price, being the closing price of the share on the stock exchange with higher trading volume on the day preceeding the day of the grant of options. The scheme allows the NRC to set the exercise price at a premium or discount not exceeding 20% on the market price.
- The options remain exercisable for 10 years from the date of vesting and lapse if they remain unexercised during this period.
- Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

Stock option activity under the "2002 ESOP" scheme is as follows:

Particulars	2017-18		2016-17	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	43,950	84.28	55,850	83.24
Granted during the year	-	-	-	-
Cancelled during the year	3,852	92.90	-	-
Exercised during the year	10,550	84.12	(9,500)	84.76
Expired during the year	8,406	-	(2,400)	58.08
Outstanding at the end of the year	21,142	81.96	43,950	84.28
Exercisable at the end of the year	21,142	-	43,950	-

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Stock option activity under the "2006 ESOP" scheme is as follows:

Particulars	2017-18		2016-17	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	7,88,678	607.17	1,029,982	420.39
Granted during the year	-	-	2,13,000	1,007.86
Cancelled during the year	3,75,452	712.79	(2,21,594)	554.81
Exercised during the year	1,05,900	234.83	(2,32,710)	194.28
Expired during the year	12,546	-	-	-
Outstanding at the end of the year	2,94,780	448.99	7,88,678	607.17
Vested and Exercisable at the end of the year	2,00,380	-	2,45,658	-

**(b) Employee Performance Award Unit Plan, 2016 (EPAU 2016)**

Vesting under EPAU 2016 is dependent upon achievement of certain performance targets over a period of time as stated in the agreement.

The exercise price is Rs. 10 per unit and all vested units need to be exercised no later than two and half months from the end of calendar year in which vesting happens.

Stock option activity under the "EPAU 2016" scheme is as follows:

Particulars	2017-18		2016-17	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,53,818	-	-	-
Granted during the year	70,000	10	2,53,818	10
Cancelled during the year	18,313	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,05,505	10	2,53,818	10
Vested and Exercisable at the end of the year	-	-	-	-

**(c) Share options outstanding at the end of the year have the following expiry dates and exercise prices:**

Share based payment scheme	Grant year	Range of exercise prices	Expiry year	Share options as at	
				March 31, 2018	March 31, 2017
2006 scheme	FY 2006-2009	50 - 150	FY 2022-2024	1,200	3,600
	FY 2010-2013	50 - 275	FY 2025-2028	88,572	1,69,218
	FY 2014-2017	250 - 1100	FY 2029-2032	2,05,008	6,15,860
Weighted average remaining contractual life of options outstanding at the end of the year				8.58 years	12.42 years
2002 scheme	FY 2002-2005	30 - 80	FY 2018-2020	2,500	5,050
	FY 2006-2009	60 - 130	FY 2021-2024	18,642	38,900
Weighted average remaining contractual life of options outstanding at the end of the year				1.9 years	4.65 years
EPAU, 2016	FY 2016-2017	5-10	FY 2020-2023	2,35,505	2,53,818
	FY 2017-2018	5-10	FY 2021-2023	70,000	-
Weighted average remaining contractual life of options outstanding at the end of the year				3.45 years	5.06 years

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### (d) Fair value of options granted

The fair value of the options at the grant date is determined using Black Scholes Model/Binomial Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

*The following tables illustrate the model inputs for options granted during the year ended March 31, 2018 and the resulting fair value of the options at the various grant dates:*

### (i) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Particulars	Grant date					
	20-07-17		24-11-2017		17-01-2018	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2
Expected Life (years) *	2.2	4.2	3.16	5.16	3.58	5.58
Volatility (%) **	36.8	36.33	34.03	34.07	35.16	33.51
Riskfree rate (%)	6.2	6.46	6.61	6.89	7.25	7.43
Exercise price (Rs.)	10	10	10	10	10	10
Dividend yield (%)	1.5	1.5	1.43	1.43	1.43	1.43
Fair value per vest	762.94	741.23	835.77	813.09	849.14	826.13
Vest %						
<b>Option fair value</b>	<b>749.91</b>		<b>822.16</b>		<b>835.34</b>	

\* The scheme allows for a maximum and minimum vesting of 70 % and 40 % on the first vesting date - 36 months after the date of grant and a maximum and minimum cumulative vesting of 220 % and 100 % at the final vesting date- 60 months from the date of grant depending upon the achievement of specified financial parameters. The expected life considered for valuation is based on management's estimate of the timing and quantum of achievement of the financial parameters between the two specified vesting dates.

\*\* The expected price volatility is based on the historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

## 31 Earnings per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax (Rs. in lakhs)	19,258	18,022
<b>Basic Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year (In no's)	4,49,30,695	4,47,38,529
<b>Basic EPS (Rs.)</b>	<b>42.86</b>	<b>40.28</b>
<b>Diluted Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year (In no's)	4,49,30,695	4,47,38,529
Effect of dilutive issue of stock options (In no's)	4,71,108	6,38,381
Weighted average number of equity shares outstanding for diluted EPS (In no's)	4,54,01,803	4,53,76,910
<b>Diluted EPS (Rs.)</b>	<b>42.42</b>	<b>39.72</b>

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 32 Impairment

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a Cash Generated Unit (CGU) or group of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

#### Goodwill movement:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
As on March 31, 2017	1,276	1,276
Add: Addition on acquisition (Refer Note 34)	7,126	-
As on March 31, 2018	8,402	1,276

Goodwill is measured by the management at operating segment level in case of IMS. Goodwill with respect to the AMS operating segment is further allocated to identified CGU.

As at March 31, 2018 and March 31, 2017 goodwill has been allocated to the following operating segment:

Particulars	As at March 31, 2018	As at March 31, 2017
Infrastructure management services (IMS)	-	-
Application management services (AMS)	8,402	1,276
<b>Total</b>	<b>8,402</b>	<b>1,276</b>

The recoverable amount was computed based on value-in-use being higher than fair value less cost to sell. The carrying amount was computed by allocating the net assets to operating segments for the purpose of impairment testing.

Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

The average range of key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Terminal growth rate		
- IMS	-	-
- AMS*	0-2	-
After tax discount rate		
- IMS	-	-
- AMS	10-17	10-11

\*For AMS, the Company has considered terminal growth rate as NIL in FY 2016-17, on prudence, only for the purpose of impairment testing calculations.

Based on the above, no impairment was identified as of March 31, 2018 and March 31, 2017 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU or the IMS segment would fall below their respective carrying amounts.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 33 Segment reporting

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

### 34 Business Combination

#### (a) Acquisition of Cynosure Group

The Company entered into a Share Purchase Agreement dated March 21, 2018 to acquire 100% equity in Cynosure Interface Services Private Limited, an Indian IT company for a purchase consideration not exceeding Rs. 1,300 lakhs, subject to certain conditions, payable upfront.

The Company, through its subsidiary, Zensar Technologies Inc. entered into Share Purchase Agreement dated March 21, 2018 to acquire 100% equity of Cynosure Inc., a USA based IT company for purchase consideration of USD 31 million payable upfront and balance amount of USD 28 million being earn-outs, subject to performance targets over 24 months.

The above mentioned acquisitions has been consummated in April 2018.

#### (b) Acquisition of Keystone Group

The Company on April 1, 2017, completed the acquisition of business from Keystone Logic Solutions Private Limited through a Business Undertaking Transfer Agreement dated March 30, 2017. In accordance with the agreement, the company has paid the initial consideration of Rs. 4,987 lakhs and accrued the contingent consideration payable over next three years till FY 2019-20 as per mutually agreed milestones and conditions of an amount upto Rs. 8,000 lakhs (USD 12.39 million).

Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

Particulars	Amount in INR Lakhs
Initial consideration	4,987
Contingent consideration*	6,150
<b>Total purchase consideration</b>	<b>11,137</b>
<b>Assets, liabilities and Intangible Assets recognised on acquisition are as follows:</b>	
Customer relationship	3,753
Non compete agreements	166
Brand	79
Customer contracts	77
Property, plant and equipment	130
Other net current assets	(194)
<b>Net identifiable assets acquired</b>	<b>4,011</b>
<b>Goodwill</b>	<b>7,126</b>

\*contingent consideration is payable on achievement of pre-determined financial targets. As at March 31, 2018, management has estimated that these targets will be met and valued the consideration by applying a discount rate of 16.50%.

## Notes to the Financial Statements

as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

### 35 Disclosure pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulation, 2015.

Particulars	Amount outstanding as at March 31, 2018	Maximum amount outstanding during the year
To subsidiaries	1,159	1,159
To associates	-	-
To firms/companies in which directors are interested (other than subsidiaries/associates mentioned above)	-	-
<b>Where there is</b>		
No Repayment schedule #	-	-
Repayment beyond seven years #	-	-
No Interest #	-	-
Interest rates below as specified under section 186 of the Act #	-	-

# Zensar Advance Technologies Limited (company's 100% subsidiary in Japan), has been voluntarily liquidated as per the local laws in Japan. The company has applied to RBI for approval for write off from the books of accounts and waiting for their approval.

Zensar Technologies (Shanghai) Company Limited is in process of applying for voluntary liquidation.

#### Particulars of amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2018

Particulars	Relationship	Balance as at March 31, 2018	Maximum amount outstanding during the year
Zensar Advanced Technologies Limited	Subsidiary	1,081	1,081
		[1081]	[1081]
Zensar Technologies (Shanghai) Company Limited	Subsidiary	78	78
		[78]	[78]

Figures in brackets “[ ]” are for the year ended March 31, 2017

There are no loans and advances in the nature of loans as at March 31, 2018 where there is no repayment schedule / repayment beyond seven years.

#### Particulars of loans given/investments made/guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013:

Name	Amount of loan outstanding as at March 31, 2018	Period	Rate of Interest	Purpose for which the loan/security / guarantee is utilized
<b>Loans</b>				
Zensar Advanced Technologies Limited	1,081	3 Years	5%	Working Capital
Zensar Technologies (Shanghai) Company Limited	78	3 Years	5%	Working Capital

## Notes to the Financial Statements

### as at and for the year ended March 31, 2018 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

- 36** The Company, through its Board meeting dated March 14, 2018 approved the transfer of business in certain geographies to its wholly owned subsidiaries by way of a slump sale. This said transfer is expected to be consummated by June 2018.
- 37** 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.

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For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Navneet Khandelwal**  
Chief Financial Officer

Place: Mumbai  
Date: April 24, 2018

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Gaurav Tongia**  
Company Secretary

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CONSOLIDATED

# FINANCIAL

STATEMENTS



# Independent Auditors' Report

## To The Members of Zensar Technologies Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Zensar Technologies Limited (hereinafter referred to as the "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and, give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Independent Auditors' Report (Contd.)

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report on separate financial statements and the other financial information of subsidiaries incorporated in India, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent and subsidiary companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

Place: Mumbai  
Date: April 24, 2018

## Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Zensar Technologies Limited (hereinafter referred to as “the Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of the Company’s subsidiaries which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all

material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained in respect of Parent and its subsidiary companies, which are companies incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

## Annexure “A” to the Independent Auditors’ Report (Contd.)

evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal

financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

Place: Mumbai  
Date: April 24, 2018

**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

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# Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Consolidated Balance Sheet as at	Notes	March 31, 2018	March 31, 2017
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	10,030	8,924
(b) Capital work-in-progress		228	101
(c) Goodwill		42,234	31,764
(d) Other intangible assets	5	6,904	4,002
(e) Intangible assets under development		359	162
(f) Financial assets			
i. Investments	6(a)	14,440	9,603
ii. Other financial assets	6(f)	2,330	1,823
(g) Income tax assets (net)	17(a)	1,745	3,924
(h) Deferred tax assets (net)	7	3,095	1,738
(i) Other non-current assets	8	1,946	1,877
<b>Total non-current assets</b>		<b>83,311</b>	<b>63,918</b>
<b>Current assets</b>			
(a) Inventories	9	10,600	11,267
(b) Financial assets			
i. Investments	6(b)	13,023	14,667
ii. Trade receivables	6(c)	64,226	53,317
iii. Cash and cash equivalents	6(d)	20,416	32,713
iv. Other balances with banks	6(e)	271	196
v. Other financial assets	6(g)	30,681	27,048
(c) Other current assets	10	7,114	7,442
<b>Total current assets</b>		<b>1,46,331</b>	<b>1,46,650</b>
<b>Total assets</b>		<b>2,29,642</b>	<b>2,10,568</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	11(a)	4,499	4,487
(b) Other equity			
i. Reserves and surplus	11(b)	1,60,512	1,42,118
ii. Other components of equity	11(d)	1,879	551
<b>Equity attributable to owners of the company</b>		<b>1,66,890</b>	<b>1,47,156</b>
Non-controlling interests	31(b)	1,365	741
<b>Total equity</b>		<b>1,68,255</b>	<b>1,47,897</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	12(a)	595	26
ii. Other financial liabilities	12(b)	6,201	3,080
(b) Provisions	14	88	79
(c) Employee benefit Obligations	15	1,496	1,528
<b>Total non-current liabilities</b>		<b>8,380</b>	<b>4,713</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	12(a)	-	13,029
ii. Trade payables	13	18,393	17,526
iii. Other financial liabilities	12(b)	16,149	8,860
(b) Employee benefit obligations	15	4,549	4,895
(c) Other current liabilities	16	12,231	10,711
(d) Income tax liabilities (net)	17(a)	1,685	2,937
<b>Total current liabilities</b>		<b>53,007</b>	<b>57,958</b>
<b>Total liabilities</b>		<b>61,387</b>	<b>62,671</b>
<b>Total equity and liabilities</b>		<b>2,29,642</b>	<b>2,10,568</b>

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Hemant M. Joshi**  
Partner

For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Navneet Khandelwal**  
Chief Financial Officer

**Gaurav Tongia**  
Company Secretary

Place: Mumbai  
Date: April 24, 2018

Place: Mumbai  
Date: April 24, 2018

# Consolidated Statement of Profit and Loss

(All amounts in INR Lakhs, except earnings per share)

Consolidated Statement of Profit and Loss for the	Notes	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
(a) Revenue from operations	18	3,10,774	3,05,559
(b) Other income (net)	19	7,439	2,406
<b>Total income</b>		<b>3,18,213</b>	<b>3,07,965</b>
<b>Expenses</b>			
(a) Purchase of network and security products		8,981	12,996
(b) Purchases of licenses for software applications		4,395	9,171
(c) Consumption of spare parts in support of computer hardware and maintenance contracts		4,765	5,365
(d) (Increase)/decrease in inventories		668	1,319
(e) Employee benefits expense	20	1,70,535	1,59,551
(f) Subcontracting costs		40,040	35,880
(g) Finance cost	21	2,267	877
(h) Depreciation and amortisation expense	22	6,508	4,855
(i) Other expenses	23	44,897	43,089
<b>Total expenses</b>		<b>2,83,056</b>	<b>2,73,103</b>
<b>Profit before tax</b>		<b>35,157</b>	<b>34,862</b>
<b>Income tax expense</b>	24		
(a) Current tax		11,142	10,506
(b) Deferred tax		(634)	519
<b>Total tax expense</b>		<b>10,508</b>	<b>11,025</b>
<b>Profit for the year</b>		<b>24,649</b>	<b>23,837</b>
<b>Other comprehensive income</b>			
I) (a) <b>Items that will not be reclassified to profit or loss</b>			
- Remeasurements of defined benefit plans	15	647	(727)
- Change in fair value of equity instruments	11(d)	7	(258)
(b) Income tax relating to items that will not be reclassified to profit or loss	24(iii)	31	356
		685	(629)
II) (a) <b>Items that will be reclassified to profit or loss</b>			
- Effective portion of gain / (loss) on Cash Flow Hedge (net)	11(d)	(1,593)	710
- Exchange differences in translating the financial statements of foreign operations - gain / (Loss)	11(d)	2,230	(1,481)
(b) Income tax relating to items that will be reclassified to profit or loss	11(d)	557	(412)
		1,194	(1,183)
<b>Other comprehensive income for the year, net of tax</b>		<b>1,879</b>	<b>(1,812)</b>
<b>Total comprehensive income for the year</b>		<b>26,528</b>	<b>22,025</b>
<b>Profit for the year attributable to:</b>			
- Owners		24,153	23,487
- Non controlling interests		496	350
		<b>24,649</b>	<b>23,837</b>
<b>Other comprehensive income attributable to:</b>			
- Owners		1,751	(1,812)
- Non controlling interests		128	-
		<b>1,879</b>	<b>(1,812)</b>
<b>Total comprehensive income attributable to:</b>			
- Owners		25,904	21,675
- Non controlling interests		624	350
		<b>26,528</b>	<b>22,025</b>
<b>Earnings per share [face value per share Rs.10/- (March 31, 2017: Rs.10/- )]</b>	35		
- Basic		53.76	52.50
- Diluted		53.20	51.76

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Hemant M. Joshi**  
Partner

For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Navneet Khandelwal**  
Chief Financial Officer

**Gaurav Tongia**  
Company Secretary

Place: Mumbai  
Date: April 24, 2018

Place: Mumbai  
Date: April 24, 2018

# Consolidated Statement of Change in Equity

(All amounts in INR Lakhs, unless otherwise stated)

## Equity share capital

	Changes in equity share capital during the year	Balance as at March 31, 2017
Balance as at April 1, 2016		4487
4463	24	4487
Balance as at April 1, 2017		4499
4487	12	4499

Particulars	Notes	Reserves & surplus						Other components of equity				Non-controlling interests	Total	
		Capital redemption reserve	Share based payment reserve	Capital reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Equity investment through OCI	Foreign currency translation reserve			Owners Equity
<b>Balance as at April 1, 2016</b>		442	868	293	1,565	42,481	74,618	-	545	649	694	1,22,156	391	1,22,547
Profit for the year	11(c)	-	-	-	-	23,487	-	-	-	-	-	23,487	350	23,837
Effective portion of gain / (loss) on Cash Flow Hedge (net).	11(d)	-	-	-	-	-	-	-	465	-	-	465	-	465
Change in fair value of equity instruments	11(d)	-	-	-	-	-	-	-	-	(154)	-	(154)	-	(154)
Exchange differences in translating the financial statements of foreign operations - gain / (Loss) (net of tax)	11(d)	-	-	-	-	-	-	-	-	-	(1,647)	(1,647)	-	(1,647)
Remeasurements of defined benefit plans (net of tax)	11(c)	-	-	-	-	(475)	-	-	-	-	-	(475)	-	(475)
<b>Total comprehensive income for the year</b>		-	-	-	-	23,012	-	-	465	(154)	(1,647)	21,674	350	22,025
<b>Transaction with owners in their capacity as owners:</b>														
Dividends paid (including Dividend Distribution Tax)	11(c)	-	-	-	-	(2,610)	-	-	-	-	-	(2,610)	-	(2,610)
Recognition of Employee Share based payment expense	11(c)	-	1,014	-	-	-	-	-	-	-	-	1,014	-	1,014
Transferred from / to Securities premium reserve on exercise of stock options	11(c)	-	(36)	-	36	-	-	-	-	-	-	0	-	0
Received on exercise of stock options	11(c)	-	-	-	436	-	-	-	-	-	-	436	-	436
Transferred to General reserve on cancellation of stock options	11(c)	-	(13)	-	-	-	13	-	-	-	-	-	-	-
Transfer to general reserve	11(c)	-	-	-	(10,000)	10,000	-	-	-	-	-	-	-	-
Transfer to Special economic zone re-investment reserve	11(c)	-	-	-	(180)	180	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>		442	1,833	293	2,037	52,703	84,631	180	1,009	495	(953)	1,42,669	741	1,43,410
Profit for the year	11(c)	-	-	-	-	24,153	-	-	-	-	-	24,153	496	24,649
Effective portion of gain / (loss) on Cash Flow Hedge (net).	11(d)	-	-	-	-	-	-	-	(1,036)	-	-	(1,036)	-	(1,036)
Change in fair value of equity instruments	11(d)	-	-	-	-	-	-	-	-	262	-	262	-	262
Exchange differences in translating the financial statements of foreign operations - gain / (Loss) (net of tax)	11(d)	-	-	-	-	-	-	-	-	-	2,102	2,102	128	2,230
Remeasurements of defined benefit plans (net of tax)	11(c)	-	-	-	-	423	-	-	-	-	-	423	-	423
<b>Total comprehensive income for the year</b>		-	-	-	-	24,576	-	-	(1,036)	262	2,102	25,903	624	26,528

# Consolidated Statement of Change in Equity

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	Reserves & surplus										Other components of equity				Non-controlling interests	Total	
		Capital redemption reserve	Share based payment reserve	Capital reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Equity investment through OCI	Foreign currency translation reserve	Owners Equity						
Transaction with owners in their capacity as owners:																		
Dividends paid (including Dividend Distribution Tax)	11(c)	-	-	-	-	(6,260)	-	-	-	-	-	-	-	-	(6,260)	-	-	(6,260)
Recognition of Employee Share based payment expense	11(c)	-	369	-	-	-	-	-	-	-	-	-	-	-	369	-	-	369
Transferred from / to Securities premium reserve on exercise of stock options	11(c)	-	(95)	-	95	-	-	-	-	-	-	-	-	-	-	-	-	-
Received on exercise of stock options	11(c)	-	-	-	246	-	-	-	-	-	-	-	-	-	246	-	-	246
Reclassified to non current liabilities	11(c)	-	(537)	-	-	-	-	-	-	-	-	-	-	(537)	-	-	-	(537)
Transferred to General reserve on cancellation of stock options	11(c)	-	(222)	-	-	-	222	-	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	11(c)	-	-	-	-	(10,000)	10,000	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>		<b>442</b>	<b>1,348</b>	<b>293</b>	<b>2,378</b>	<b>61,018</b>	<b>94,853</b>	<b>180</b>	<b>(27)</b>	<b>757</b>	<b>1,149</b>	<b>1,62,391</b>	<b>1,365</b>	<b>1,63,756</b>				

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Hemant M. Joshi**  
Partner

For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Navneet Khandelwal**  
Chief Financial Officer

**Gaurav Tongia**  
Company Secretary

Place: Mumbai  
Date: April 24, 2018

Place: Mumbai  
Date: April 24, 2018

## Statement of Consolidated Cash Flows for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>Cash flow from operating activities</b>				
Profit before taxation		35,157		34,862
<b>Adjustments for:</b>				
Depreciation and amortisation	6,508		4,855	
Employee share based payment expense	369		1,014	
(Profit) / loss on sale of investments (net)	(637)		(481)	
Changes in fair value of financial assets/liabilities measured at fair value through profit and loss	(720)		(916)	
Fair value (gain)/loss on share buyback liability	175		159	
Dividend income	(132)		(38)	
Interest income	(487)		(275)	
Finance costs	2,267		877	
(Profit)/Loss on sale of tangible assets (net)	(43)		(28)	
Provision for doubtful debts (net)	2,526		3,005	
Bad debts written off	1,186		790	
Provision no Longer required and credit balances written back	(354)		(236)	
Unrealised exchange gains/(loss) (net)	(1,022)	9,636	(903)	7,823
<b>Operating profit before working capital changes</b>		<b>44,793</b>		<b>42,685</b>
<b>Change in operating assets and liabilities</b>				
(Increase)/ decrease in other non current financial assets	(506)		(190)	
(Increase)/ decrease in other non current assets	(45)		32	
(Increase)/ decrease in inventories	668		1,319	
(Increase)/decrease in trade receivables	(10,848)		(189)	
(Increase)/decrease in other current financial assets	(4,676)		(1,368)	
(Increase)/ decrease in other current assets	307		1,297	
Increase/(decrease) in other non current financial liabilities	(1,552)		68	
Increase/(decrease) in non current provisions	9		6	
Increase/(decrease) in non current employee benefit obligations	(32)		(59)	
Increase/(decrease) in other non current liabilities	-		(102)	
Increase/(decrease) in trade payables	100		625	
Increase/ (decrease) in other current financial liabilities	1,172		(2,278)	
Increase/ (decrease) in current provisions	-		(220)	
Increase/ (decrease) in current employee benefit obligations	132		457	
Increase/ (decrease) in other current liabilities	1,422	(13,849)	(1,405)	(2,007)
<b>Cash generated from operations</b>		<b>30,944</b>		<b>40,678</b>
Income taxes paid (net of refunds)		(10,351)		(10,238)
<b>Net cash inflow from operating activities</b>		<b>20,593</b>		<b>30,440</b>
<b>Cash flow from investing activities</b>				
Purchase of tangible/intangible assets including capital work in progress	(5,245)		(3,533)	
Purchase of Business (Refer Note 36)	(9,302)		(6,051)	
Proceeds from sale of tangible/intangible assets	95		41	
Investments in Fixed Deposits	(51)		-	
Purchase of investments (Mutual Funds)	(60,098)		(57,822)	
Sale of investments (Mutual Funds)	59,080		48,037	
Investment in Non Convertible Debentures	(750)		-	
Interest income received	487		275	
Dividend income received	132		38	
<b>Net cash used in investing activities</b>		<b>(15,652)</b>		<b>(19,015)</b>

# Statement of Consolidated Cash Flows for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	258	460
Interest paid	(1,036)	(878)
Dividend on equity shares and tax thereon	(6,260)	(2,610)
Repayment of long-term borrowings	(381)	(79)
Proceeds of short-term borrowings	4,772	7,356
Repayment of short-term borrowings	(17,757)	(9,243)
<b>Net cash used in financing activities</b>	<b>(20,404)</b>	<b>(4,994)</b>
Effect of exchange differences on translation of cash and cash equivalents	3	(1,619)
<b>Increase in Cash and Cash Equivalents on Acquisition (Refer note 36)</b>	<b>1,480</b>	<b>237</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(13,980)</b>	<b>5,049</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>32,535</b>	<b>27,486</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>18,555</b>	<b>32,535</b>

## Notes:

- The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Cash and cash equivalents comprise of:

	As at March 31, 2018	As at March 31, 2017
Cash on Hand	3	10
Funds in transit	70	15
Balances with Banks :		
- In current accounts	18,972	31,202
- Deposits having original maturity of less than three months	1,371	1,486
<b>Total</b>	<b>20,416</b>	<b>32,713</b>
Less: Book Overdrafts	(1,861)	(178)
<b>Total</b>	<b>18,555</b>	<b>32,535</b>

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Hemant M. Joshi**  
Partner

Place: Mumbai  
Date: April 24, 2018

For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Navneet Khandelwal**  
Chief Financial Officer

Place: Mumbai  
Date: April 24, 2018

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Gaurav Tongia**  
Company Secretary

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

## 1. Corporate Information

Zensar Technologies Limited (the "Company") along with its wholly owned subsidiaries Zensar Technologies Inc., Zensar Technologies (UK) Limited, Zensar Technologies (Singapore) Pte. Limited, Zensar Technologies (Shanghai) Company Limited, PSI Holding Group Inc., Zensar Technologies IM Inc., Zensar Technologies IM B.V., Zensar (Africa) Holdings Pty Limited, Zensar (South Africa) Pty Limited, Professional Access Limited, \*Foolproof Limited, \*Knit Limited and \*Foolproof (SG) Pte Limited, \*\*Keystone Logic Inc, \*\*\*Zensar Information Technologies Limited, \*\*\*Zensar Software Technologies Limited, \*\*\*\*Zensar Info Technologies (Singapore) Pte Limited and \*\*\*\*\*Zensar IT Services Limited (together hereinafter referred to as "the Group") is engaged in providing a complete range of IT Services and Solutions. The Group's industry expertise spans across Manufacturing, Retail, Media, Banking, Insurance, Healthcare and Utilities. The Company is a public limited company incorporated and domiciled in India and has its registered office at Pune, Maharashtra, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

\*Effective from November 2, 2016

\*\*Effective from April 1, 2017

\*\*\*Effective from September 8, 2017

\*\*\*\*Effective from September 5, 2017

\*\*\*\*\*Effective from January 12, 2018

The Financial Statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on April 24, 2018.

## 2. Summary of significant accounting policies

### a. Compliance with Ind AS:

The consolidated 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.

### 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 (including derivative instruments) which are measured at fair value;
- defined benefit plans - plan assets

measured at fair value;

- share-based payments and
- assets and liabilities arising in a business combination

#### (ii) Current versus Non-current classification

All assets and liabilities have been classified as current or non-current as per the Group'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 realization in cash and cash equivalents, the Group has ascertained its operating cycles as 12 months for the purpose of current -non current classification of assets and liabilities.

#### (iii) Principles of consolidation

The Consolidated Financial Statements comprise the financial statements of Zensar Technologies Limited and its subsidiaries (the Company and its subsidiaries constitute "the Group"). The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line-by-line basis and intragroup balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

# Notes to the Consolidated Financial Statements

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## (iv) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

### Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that

the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

## c. Revenue Recognition

The Group derives revenue primarily from software development, maintenance of software/hardware and related services, and sale of software licenses.

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 Group recognized 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 Group's activities as described below. The Group 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 cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group 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.

# Notes to the Consolidated Financial Statements

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'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 '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 Group 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 Products and Licenses:**

Revenue from sale of product, 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.

**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. Effective April 1, 2016 the tax liabilities pertaining to India are computed using the Income Computation and Disclosure Standards notified under the Income-tax Act, 1961.

The Group 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 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 tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the

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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 Group 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.

Deferred Tax includes MAT credit and it is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 for a specified period. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

## 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.

### As a lessee:

**Finance Lease:** Leases of property, plant and equipment, where the Group 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 Group is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets 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. Foreign Currency Translation

### (i) Functional and presentation currency:

Items included in the financial statements of each of Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are prepared in Indian rupee (INR), which is Zensar Technology Limited's functional and presentation currency.

### (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

# Notes to the Consolidated Financial Statements

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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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### (iii) Foreign Operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet
- Income and expense items are translated at the average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate

prevailing at the reporting date.

### g. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization 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.

### 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 change in value.

### i. Trade Receivables

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

### j. Inventories

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. Cost is determined using weighted average method. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

### k. Investments and other financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortized 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. For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through 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 amortized cost:

A financial asset is subsequently measured at amortized 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 (FVTOCI):

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 Group 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 Group 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 Group 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 retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized 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

# Notes to the Consolidated Financial Statements

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consider the expected credit losses.

## Dividends

Dividends are recognized in statement of profit and loss only when the right to receive the payment is established.

## I. 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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### (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 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 recognized 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 Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group 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. 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### (iii) Derecognition

A financial liability is derecognized 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 recognized in the statement of profit or loss.

### (iv) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of

# Notes to the Consolidated Financial Statements

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a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

## m. Derivatives and hedging activities

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Group limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss as cost.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the

risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Subsequent to initial recognition, derivative financial instruments are measured as described below:

### Cash flow hedges:

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of profit and loss.

## n. 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

# Notes to the Consolidated Financial Statements

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offset the recognized amounts and there is an intention to settle on a net basis or realize the asset on a net basis or realize 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 Group or the counterparty.

## o. 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.

Freehold land is carried at historical cost and is not depreciated.

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 Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized 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 statement of 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.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

### (ii) Depreciation

The Group 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 Group
Buildings	33 years
Leasehold Improvements	Lower of lease term or estimated useful life.
Plant & Equipments	5 years
Furniture & fixtures	3-10 years
Office Equipments	3-5 years
Data processing Equipments	3-4 years
Data Processing Equipments - Finance Lease	3-4 years
Vehicles	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.

## p. Intangible Assets

### (i) Intangible assets:

Intangible assets other than those acquired in a business combination 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 amortization and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognized at cost on demonstration of its technical feasibility, the intention and ability of the Group 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.

An item of Intangible assets 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

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arising on the disposal or retirement of an item of Intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

**Goodwill:** The excess of the cost of an acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit and loss.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

**(ii) Research cost:**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell of the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the period of expected future benefit, i.e. the estimated useful life of the intangible asset. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

**(iii) Amortization periods and methods:** Intangible assets are amortized on straight line basis over their estimated useful lives which are as follows:

Class of asset	Useful life as per Schedule II
Softwares (acquired)	1-5 years
Softwares (internally generated)	3-5 years
Non compete agreements	3 years
Customer relationship	4-5 years
Customer contracts	1 year
Brand	5 years

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

**q. Provisions**

Provisions are recognized when the Group 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 recognized 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 Group 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.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

## r. Employee benefits

### (i) Post-employment and pension plans

The Group participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group'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. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

The Group has the following employee benefit plans:

#### **Provident Fund:**

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. Provident fund contributions are made to a trust administered by the Group. The contributions to the trust managed by the Group are accounted for as a defined benefit plan as the Group is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

#### **Superannuation and family pension fund:**

Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India. The Group makes annual contributions based on a specified percentage of each eligible employee's salary.

The Group has a Defined Contribution Plan for Post-employment benefits for all employees in

the form of Family Pension Fund administered by Regional Provident Fund Commissioner.

These contributions to superannuation and family pension funds are classified as defined contribution plans as the Group has no further obligation beyond making the contributions. The Group's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as and when employee provides services.

#### **Gratuity:**

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Scheme. The Gratuity plan provides for a lump sum payment to eligible employees, at retirement, death, incapacitation or termination of employment based on the last drawn salary and years of employment with the Group. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Group's obligation in respect of the gratuity plan, is provided for based on actuarial valuation using the projected unit credit method. The Group recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

### (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 profit sharing plans, expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized if the Group 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 Group 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

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

retirement or termination of employment. The Group 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.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

#### (iv) Share-based payments:

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions

are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

#### s. 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.

#### t. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

#### u. 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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

**v. 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.

**w. Recent accounting pronouncements**

**Standards issued but not yet effective**

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is in process of evaluating the impact on the financial statements.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods

beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is in process of evaluating the impact on the financial statements.

### 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(d).

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

**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(o).

**d 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(q).

**e Business combination**

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired, and liabilities and contingent consideration involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

**f Goodwill**

Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable

amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**g 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.

**h Employee stock options**

The Group initially measures the cost of equity-settled transactions with employees using a Black Scholes Options Pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model and the performance of the Group, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 34.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## 4 Property, plant and equipment

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Data Processing Equipments - Finance lease	Vehicles	Total
<b>Gross Carrying amount</b>										
As at April 1, 2016	0	3,936	981	747	1,381	840	4,463	290	190	12,828
Acquisitions through business combinations (Refer note 36)	-	-	31	-	288	46	292	-	-	657
Additions	-	109	59	170	164	183	1,431	4	66	2,186
Disposals	-	-	(72)	-	(14)	(30)	(65)	-	(14)	(195)
Exchange translation differences	-	-	(6)	-	(15)	(1)	(6)	-	-	(28)
<b>Gross carrying amount as at March 31, 2017</b>	<b>0</b>	<b>4,045</b>	<b>993</b>	<b>917</b>	<b>1,804</b>	<b>1,038</b>	<b>6,115</b>	<b>294</b>	<b>242</b>	<b>15,448</b>
<b>Accumulated Depreciation</b>										
As at April 1, 2016	-	179	458	161	353	268	2,058	173	64	3,714
Additions due to acquisition (Refer note 36)	-	-	20	-	176	40	123	-	-	359
Depreciation during the year	-	180	254	178	281	218	1,413	81	41	2,646
Disposals	-	-	-	-	-	(0)	(0)	-	-	(0)
Exchange translation differences	-	-	(66)	1	(14)	1	(117)	-	-	(195)
<b>Accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>359</b>	<b>666</b>	<b>340</b>	<b>796</b>	<b>527</b>	<b>3,477</b>	<b>254</b>	<b>105</b>	<b>6,524</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>0</b>	<b>3,686</b>	<b>327</b>	<b>577</b>	<b>1,008</b>	<b>511</b>	<b>2,638</b>	<b>40</b>	<b>137</b>	<b>8,924</b>

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Data Processing Equipments - Finance lease	Vehicles	Total
<b>Gross Carrying amount</b>										
As at April 1, 2017	0	4,045	993	917	1,804	1,038	6,115	294	242	15,448
Acquisitions through business combinations (Refer note 36)	-	-	65	28	52	32	167	-	-	344
Additions	-	5	902	21	324	324	1,761	946	20	4,303
Disposals	(0)	(2)	(0)	(13)	(125)	(11)	(64)	(101)	(8)	(324)
Exchange translation differences	-	-	35	-	62	(48)	103	-	-	152
<b>Gross carrying amount as at March 31, 2018</b>	<b>0</b>	<b>4,048</b>	<b>1,995</b>	<b>953</b>	<b>2,117</b>	<b>1,335</b>	<b>8,082</b>	<b>1,139</b>	<b>254</b>	<b>19,923</b>
<b>Accumulated Depreciation</b>										
As at April 1, 2017	-	359	666	340	796	527	3,477	254	105	6,524
Additions due to acquisition (Refer note 36)	-	-	42	13	19	17	124	-	-	215
Depreciation during the year	-	183	381	184	288	204	1,643	256	43	3,182
Disposals	-	(0)	(0)	(11)	(82)	(9)	(61)	(101)	(8)	(272)
Exchange translation differences	-	-	54	0	(8)	(1)	199	-	-	245
<b>Accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>542</b>	<b>1,143</b>	<b>526</b>	<b>1,013</b>	<b>738</b>	<b>5,382</b>	<b>409</b>	<b>140</b>	<b>9,893</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>0</b>	<b>3,506</b>	<b>852</b>	<b>427</b>	<b>1,104</b>	<b>597</b>	<b>2,700</b>	<b>730</b>	<b>114</b>	<b>10,030</b>

(i) Contractual obligations:

Refer note 33 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipments.

(ii) Leased assets

-The company's obligations under finance lease (see note 12) are secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 730 lakhs (March 31, 2017: Rs. 40 Lakhs)

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## 5 Other Intangible Assets

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
<b>Gross Carrying amount</b>							
As at April 1, 2016	2,192	670	1,547	993	508	524	6,434
Acquisition through business combinations (Refer note 36)	2	-	2,358	70	177	-	2,607
Additions	1,209	-	-	-	-	-	1,209
Disposals	-	-	-	-	-	-	-
Exchange translation differences	(23)	-	-	-	-	-	(23)
<b>Gross carrying amount as at March 31, 2017</b>	<b>3,380</b>	<b>670</b>	<b>3,905</b>	<b>1,063</b>	<b>685</b>	<b>524</b>	<b>10,227</b>
<b>Accumulated Amortisation</b>							
As at April 1, 2016	1,602	195	848	681	508	188	4,022
Amortisation for the year	1,243	263	280	208	-	215	2,209
Disposals	-	-	-	-	-	-	-
Exchange translation differences	(6)	-	-	-	-	-	(6)
<b>Accumulated amortisation as at March 31, 2017</b>	<b>2,839</b>	<b>458</b>	<b>1,128</b>	<b>889</b>	<b>508</b>	<b>403</b>	<b>6,225</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>541</b>	<b>212</b>	<b>2,777</b>	<b>174</b>	<b>177</b>	<b>121</b>	<b>4,002</b>

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
<b>Gross Carrying amount</b>							
As at April 1, 2017	3,380	670	3,905	1,063	685	524	10,227
Acquisition through business combinations (Refer note 36)	22	-	4,058	201	167	329	4,777
Additions	1,345	118	-	-	-	-	1,463
Disposals	-	-	-	-	-	-	-
Exchange translation differences	-	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2018</b>	<b>4,747</b>	<b>788</b>	<b>7,963</b>	<b>1,264</b>	<b>852</b>	<b>853</b>	<b>16,467</b>
<b>Accumulated Amortisation</b>							
As at April 1, 2017	2,839	458	1,128	889	508	403	6,225
Acquisition through business combinations (Refer note 36)	13	-	-	-	-	-	13
Amortisation for the year	1,348	234	1,009	201	84	450	3,326
Disposals	-	-	-	-	-	-	-
Exchange translation differences	(1)	-	-	-	-	-	(1)
<b>Accumulated amortisation as at March 31, 2018</b>	<b>4,199</b>	<b>692</b>	<b>2,137</b>	<b>1,090</b>	<b>592</b>	<b>853</b>	<b>9,563</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>548</b>	<b>96</b>	<b>5,826</b>	<b>174</b>	<b>260</b>	<b>-</b>	<b>6,904</b>

(i) **Impairment tests for goodwill**- Refer note 31

(ii) **Research and development expenditure** - Aggregate amount of research and development expenditure recognised as an expense during the year is Rs. 68 lakhs (March 31, 2017 : Rs. 99 lakhs).

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## 6 Financial Assets

### (a) Non-current Investments

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Investment carried at Fair Value through Other Comprehensive Income (FVOCI)		
<b>Investment in equity instruments - Quoted</b>		
100 (March 31, 2017: 100) Equity Shares of Rs. 10 each fully paid-up in CFL Capital Financial Services Limited	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Investments in equity instruments - Unquoted</b>		
100 (March 31, 2017: 100) Equity Shares of Rs. 9 (March 31, 2017: Rs. 9) each fully paid-up in Spencer & Company Limited	0	0
1,000 (March 31, 2017: 1,000) Equity Shares of USD 0.01 each of Aquila Technology Corporation (Refer Note 29 (e))	2,372	2,304
<b>Total</b>	<b>2,372</b>	<b>2,304</b>
(ii) <b>Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)</b>		
- Mutual Funds	11,277	7,299
- Non Convertible Debentures	791	-
<b>Total</b>	<b>12,068</b>	<b>7,299</b>
<b>Total Non Current Investments</b>	<b>14,440</b>	<b>9,603</b>
Aggregate amount of quoted investments & market value thereof	0	0
Aggregate amount of unquoted investments	14,440	9,603

### (b) Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017
(i) <b>Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)</b>		
- Mutual Funds	13,023	14,667
<b>Total</b>	<b>13,023</b>	<b>14,667</b>
<b>Total Current Investments</b>	<b>13,023</b>	<b>14,667</b>
Aggregate amount of quoted investments & market value thereof	-	-
Aggregate amount of unquoted investments	13,023	14,667
Aggregate amount of impairment in the value of investments	-	-

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

### 6 (c) Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	64,226	53,317
Considered doubtful	7,611	4,866
	71,837	58,183
Less: allowance for doubtful trade receivables	7,611	4,866
<b>Total receivables</b>	<b>64,226</b>	<b>53,317</b>

Notes:

- (i) No amounts are receivable from directors or other officers of the company either severally or jointly with any other person.
- (ii) Amounts receivable from firms or private companies in which any director is a partner, a director or a member - Rs. 555 lakhs (March 31, 2017 : Rs.26 lakhs) (Refer note 30)

### 6 (d) Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	3	10
Funds in transit	70	15
Balances with banks :		
- In current accounts	18,972	31,202
- Deposits having original maturity of less than three months	1,371	1,486
<b>Total</b>	<b>20,416</b>	<b>32,713</b>

### 6 (e) Other balances with banks

Particulars	As at March 31, 2018	As at March 31, 2017
Earmarked Balances with Banks :		
- Unclaimed Dividend	220	196
- Deposits having original maturity of more than three months	51	-
<b>Total</b>	<b>271</b>	<b>196</b>

### 6 (f) Other financial assets : Non current

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	1,756	1,823
Amount deposited under protest	569	-
Others	5	-
<b>Total</b>	<b>2,330</b>	<b>1,823</b>

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(All amounts in INR Lakhs, unless otherwise stated)

### 6 (g) Other financial assets : Current

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unbilled revenues</b>		
Considered good	30,468	25,496
Considered doubtful	170	327
	30,638	25,823
Less: Allowance for doubtful receivables	(170)	(327)
	30,468	25,496
Foreign currency derivative assets	169	1,544
Security deposits	41	-
Interest accrued on bank deposits	3	8
<b>Total</b>	<b>30,681</b>	<b>27,048</b>

### 7 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
<b>The major components of the deferred tax asset are</b>		
Property, plant and equipment and Intangible assets	838	848
Allowance for doubtful debts - trade receivables	2,287	1,399
Employee Benefits	2,529	2,639
Amortizable Goodwill	874	1,616
Tax Losses	278	121
Fair value changes on cash flow hedges	22	-
Others	186	213
	<b>7,014</b>	<b>6,836</b>
<b>The major components of the deferred tax liability are</b>		
Property, plant and equipment and Intangible assets	120	-
Gain on financial assets mandatorily measured at FVTPL - mutual fund units	366	290
Fair value changes on cash flow hedges	-	534
Investments at fair value through OCI	211	449
Amortizable Goodwill	-	143
Provision for inventory	2,193	3,066
Others	1,029	616
	<b>3,919</b>	<b>5,098</b>
<b>Net deferred tax asset / (liability)</b>	<b>3,095</b>	<b>1,738</b>

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

## Notes to the Consolidated Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

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 Group 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

	Property, plant and equipment and Intangible assets	Allowance for doubtful debts - trade receivables	Employee Benefits	Tax Losses	Goodwill	Changes in fair value on cash flow hedges	Others	Total
As at April 1, 2016	750	1,876	2,055	-	2,012	-	403	7,096
(Charged)/credited:								
- to statement of profit and loss	98	(477)	584	121	(396)	-	(191)	(260)
- to other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2017	848	1,399	2,639	121	1,616	-	212	6,836
(Charged)/credited:								
- to statement of profit and loss	(10)	888	(111)	157	(742)	-	(26)	156
- to other comprehensive income	-	-	-	-	-	22	-	22
As at March 31, 2018	838	2,287	2,528	278	874	22	186	7,014

### (ii) Movement in deferred tax liabilities

	Gain on financial assets mandatorily measured at FVTPL - mutual fund units	Changes in fair value on cash flow hedges	Investments at fair value through OCI	Amortizable Goodwill	Provision for inventory	Property, plant and equipment and Intangible assets	Others	Total
As at April 1, 2016	217	288	563	142	3,126	-	600	4,937
Charged/(credited):								
- to statement of profit and loss	73	-	-	-	(60)	-	16	29
- to other comprehensive income	-	246	(114)	-	-	-	-	132
As at March 31, 2017	290	534	449	142	3,066	-	616	5,098
(Charged)/credited:								
- to statement of profit and loss	75	-	-	(143)	(873)	120	343	(478)
- to other comprehensive income	-	(534)	(255)	-	-	-	-	(789)
Exchange differences	-	-	-	-	-	-	88	88
As at March 31, 2018	365	-	194	(1)	2,193	120	1,047	3,919

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

### 8 Other non current assets

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	1,524	1,531
Balances with government authorities	398	346
Capital advances	24	-
<b>Total</b>	<b>1,946</b>	<b>1,877</b>

### 9 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Spare parts in support of computer hardware maintenance contracts	10,600	11,267
[Goods in transit: Nil (March 31, 2017 :Rs.66 lakhs)]		
<b>Total</b>	<b>10,600</b>	<b>11,267</b>

#### Amounts recognised in statement of profit or loss:

Write-downs of inventories to net realisable value amounted to Rs. 1,430 lakhs (Previous year Rs. 2,264 lakhs). These were recognised as an expense during the year and included in '(increase)/decrease in inventories' in statement of profit and loss.

### 10 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	678	769
- advances to suppliers	1,796	1,734
Others:		
- Prepaid expenses	3,386	3,566
- Balances with government authorities	1,213	1,322
-Others	41	51
<b>Total</b>	<b>7,114</b>	<b>7,442</b>

### 11 (a) Equity Share capital

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised:</b>		
4,75,00,000 equity shares of Rs. 10 each (4,75,00,000 of Rs. 10 each at March 31, 2017)	4,750	4,750
2,50,000 preference shares of Rs. 100 each (2,50,000 shares of Rs. 100 each at March 31, 2017)	250	250
<b>Total</b>	<b>5,000</b>	<b>5,000</b>
<b>Issued, subscribed and Paid up :</b>		
4,49,90,088 equity shares of Rs. 10 each (4,48,73,638 shares of Rs. 10 each at March 31, 2017)	4,499	4,487
<b>Total</b>	<b>4,499</b>	<b>4,487</b>

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(All amounts in INR Lakhs, unless otherwise stated)

### (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	Rs. In lakhs	Nos	Rs. In lakhs
At the beginning of the year	4,48,73,638	4,487	4,46,31,428	4,463
Add: Shares issued on exercise of employee stock options	1,16,450	12	2,42,210	24
Outstanding at the end of the year	4,49,90,088	4,499	4,48,73,638	4,487

### (ii) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders in their general meeting on July 19, 2017 approved the Final dividend for FY 2016-17 of Rs. 7 per equity share. The total outflow of equity dividend and dividend tax thereon amounted to Rs. 3,576 lakhs including corporate dividend tax of Rs. 434 lakhs.

The board of directors in their meeting on January 18, 2018 declared an interim dividend of Rs. 5 per equity share. The total dividend appropriation for the year ended March 31, 2018 amounted to Rs. 2,684 lakhs including corporate dividend tax of Rs. 435 lakhs.

The board of directors in their meeting on April 24, 2018 proposed Final dividend for FY 2017-18 of Rs. 7 per equity share.

### (iii) 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	
	%	No. of shares	%	No. of shares
Marina Holdco (FPI) Limited	22.90%	1,03,01,294	22.96%	1,03,01,294
Summit Securities Limited	10.97%	49,36,107	10.96%	49,17,698
Swallow Associates LLP	26.92%	1,21,10,188	26.99%	1,21,10,188
Amansa Holdings Private Limited	4.75%	21,36,385	6.47%	29,01,855
Instant Holdings Limited	8.31%	37,37,826	7.56%	33,93,440

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding March 31, 2018 - Nil

(v) For details of Employee Stock Option Plan (ESOP), refer note 34

## 11 (b) Reserves and surplus:

Particulars	As at March 31, 2018	As at March 31, 2017
Capital redemption reserve	442	442
Share based payment reserve	1,348	1,833
Retained earnings	61,018	52,702
Capital reserve	293	293
Securities premium reserve	2,378	2,037
General reserve	94,853	84,631
Special economic zone re-investment reserve	180	180
<b>Total reserves and surplus</b>	<b>1,60,512</b>	<b>1,42,118</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## 11 (c) Movement of Reserves and surplus

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Capital redemption reserve</b>		
Balance at the beginning and end of the year	442	442
<b>Share based payment reserve</b>		
Balance as at the beginning of the year	1,833	868
Add: Recognition of Employee Share based payment expense (net)	369	1,014
Less: Transferred to General reserve on cancellation of stock options	222	13
Less: Transferred to Securities premium reserve on exercise of stock options	95	36
Less: Reclassified to non current liabilities	537	-
<b>Balance as at the end of the year</b>	<b>1,348</b>	<b>1,833</b>
<b>Retained earnings</b>		
Balance as at the beginning of the year	52,702	42,481
Add: Profit for the year	24,153	23,487
<u>Add / (less) items of other comprehensive income recognised directly in retained earnings:</u>		
- Remeasurements of defined benefit plans (net of tax)	423	(475)
Less: Equity Dividends paid (including Dividend Distribution Tax)	6,260	2,610
Less: Transferred to general reserve	10,000	10,000
Less: Transferred to Special Economic Zone Re-investment Reserve	-	180
<b>Balance as at the end of the year</b>	<b>61,018</b>	<b>52,702</b>
<b>Capital reserve</b>		
Balance at the beginning and end of the year	293	293
<b>Securities premium reserve</b>		
Balance as at the beginning of the year	2,037	1,565
Add: Transferred from share based payment reserve on exercise of stock options	95	36
Add: Received on exercise of stock options	246	436
<b>Balance as at the end of the year</b>	<b>2,378</b>	<b>2,037</b>
<b>General reserve</b>		
Balance as at the beginning of the year	84,631	74,618
Add: Transferred from share based payment reserve on cancellation of stock options	222	13
Add : Transferred from Retained earnings	10,000	10,000
<b>Balance as at the end of the year</b>	<b>94,853</b>	<b>84,631</b>
<b>Special economic zone re-investment reserve</b>		
Balance as at the beginning of the year	180	-
Add: Transfer from retained earnings	-	180
<b>Balance as at the end of the year</b>	<b>180</b>	<b>180</b>

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as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## 11 (d) Other components of equity:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Cash flow hedging reserve</b>		
Balance at the beginning of the year	1,009	545
Effective portion of gain/(loss) on Cash Flow Hedge (net)	(1,593)	710
Tax impact	557	(246)
<b>Balance as at the end of the year</b>	<b>(27)</b>	<b>1,009</b>
<b>FVOCI- equity investments</b>		
Balance at the beginning of the year	495	649
Change in fair value of equity instruments	7	(258)
Tax impact	255	104
<b>Balance as at the end of the year</b>	<b>757</b>	<b>495</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(953)	694
Currency translation adjustments (net)	2,102	(1,481)
Tax impact	-	(166)
<b>Balance as at the end of the year</b>	<b>1,149</b>	<b>(953)</b>
<b>Total</b>	<b>1,879</b>	<b>551</b>

## 11 (e) Nature and purpose of each reserve within equity:

### (i) Capital redemption reserve:

This reserve had been created out of general reserve in earlier years, being the nominal value of shares bought back. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

### (ii) Share based payment reserve:

This reserve is used to record the fair value of equity-settled share based payment transactions. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options.

### (iii) Retained earnings:

Retained earnings represents Group's undistributed earnings after taxes.

### (iv) Securities premium reserve:

Securities premium reserve is used to record premium on issue of Equity shares. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

### (v) Special economic zone re-investment reserve:

This Reserve had been created out of profit of eligible SEZ units in accordance with the provision of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve can only be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the section 10AA(2) of the Income Tax Act, 1961.

### (vi) Cash flow hedging reserve:

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sales. For hedging foreign currency risk, the Company uses forward contracts which are designated as cash flow hedges. To the extent this hedge is effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the hedging reserve are reclassified to profit or loss when the hedged item affects profit or loss.

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### (vii) FVOCI- equity investments:

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

### (viii) 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 or loss when the net investment is disposed of.

## 12 (a) Borrowings

Particulars	Maturity period	Terms of repayment	As at March 31, 2018	As at March 31, 2017
<b>Non current borrowings</b>				
<b>Long term maturities of finance lease obligations</b>				
- Obligations under finance leases (Secured)	December' 2017 to April' 2019	Monthly instalments	935	377
<b>Total non current borrowings</b>			<b>935</b>	<b>377</b>
Less: Current maturities of finance lease obligations (included in note 12(b))			340	351
<b>Non-current borrowings</b>			<b>595</b>	<b>26</b>
<b>Current Borrowings</b>				
- From Banks (Secured)	June' 2018	Payable within six months from the date of borrowing	-	13,029
<b>Current borrowings</b>			<b>-</b>	<b>13,029</b>

### Non current borrowings

-Secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 730 lakhs (March 31, 2017: Rs. 40 Lakhs)

### Current borrowings

-Secured by the first pari passu charge on current assets and on select movable fixed assets.

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### 12 (b) Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Fair value of financial liability (Refer note 38)	1,567	1,207
Contingent consideration (Refer note 36 (b & c))	4,097	1,873
Accrued salaries and benefits	537	-
<b>Total other Non current financial liabilities</b>	<b>6,201</b>	<b>3,080</b>
<b>Current</b>		
Contingent consideration (Refer note 36 (b & c))	5,724	578
Current maturities of finance lease obligations	340	351
Foreign Currency derivative Liabilities	674	-
Accrued salaries and benefits	7,174	7,046
Unclaimed dividend	220	196
Capital creditors	21	207
Book overdrafts	1,861	178
Interest accrued on borrowings	7	0
Others	128	304
<b>Total other current financial liabilities</b>	<b>16,149</b>	<b>8,860</b>

### 13 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Trade Payables	18,393	17,526
<b>Total</b>	<b>18,393</b>	<b>17,526</b>
i. total outstanding dues of micro, small and medium enterprises*	-	-
ii. total outstanding dues of creditors other than micro, small and medium enterprises	18,393	17,526

\* The Group has compiled this information based on the current information in its possession. As at 31st March 2018, no supplier has intimated the Group Companies about its status as a Micro or Small Enterprise or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

### 14 Non-current provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Contingencies	88	79
<b>Total</b>	<b>88</b>	<b>79</b>

#### (i) Information about individual provisions

It pertains to Lease rentals related litigations. The timing and the amount of cash flows that will arise from this matter will be determined by the Appellate Authorities only on settlement of this case.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

### (ii) Movements in provisions

Movements in each class of provisions during the financial year, are set out below:

Particulars	For the year March 31, 2018	For the year March 31, 2017
Opening Balances	79	73
Additional provisions accrued	12	12
Unused amounts reversed	-	(3)
Amounts used during the year	(3)	(3)
Closing Balances	88	79

### 15 Employee benefit obligations

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Provision for compensated absences	1,496	1,528
<b>Total</b>	<b>1,496</b>	<b>1,528</b>
<b>Current</b>		
Provision for compensated absences	4,117	3,586
Provision for gratuity (Refer note (i) below)	432	1,309
<b>Total</b>	<b>4,549</b>	<b>4,895</b>

## Notes to the Consolidated Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

(i) **Defined benefit plans:**

- a **Gratuity** - The Group provides for gratuity for employees in India in accordance with the gratuity scheme as applicable to the respective entities of the Group. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net liability amount
<b>As at April 1, 2016</b>	<b>5,983</b>	<b>(5,428)</b>	<b>555</b>
Current service cost	1,165	-	1,165
Interest expense / (income)	470	(426)	44
<b>Total amount recognised in statement of profit and loss</b>	<b>1,635</b>	<b>(426)</b>	<b>1,209</b>
<b>Remeasurements</b>			
Return on plan assets	-	4	4
(Gain) / loss from change in financial assumptions	607	-	607
Experience (gains) / losses	116	-	116
<b>Total amount recognised in OCI</b>	<b>723</b>	<b>4</b>	<b>727</b>
Contributions by the company	-	(555)	(555)
Benefit payments	(627)	-	(627)
<b>As at March 31, 2017</b>	<b>7,714</b>	<b>(6,405)</b>	<b>1,309</b>
Current service cost	1,457	-	1,457
Interest expense / (income)	561	(466)	95
<b>Total amount recognised in profit and loss</b>	<b>2,018</b>	<b>(466)</b>	<b>1,552</b>
<b>Remeasurements</b>			
Return on plan assets	-	(95)	(95)
(Gain) / loss from change in demographic assumptions	335	-	335
(Gain) / loss from change in financial assumptions	(471)	-	(471)
Experience (gains) / losses	(416)	-	(416)
<b>Total amount recognised in OCI</b>	<b>(552)</b>	<b>(95)</b>	<b>(647)</b>
Liability Transferred In/ Acquisitions	168	-	168
Contributions by the company	-	(1,370)	(1,370)
Benefit payments	(580)	-	(580)
<b>As at March 31, 2018</b>	<b>8,768</b>	<b>(8,336)</b>	<b>432</b>

The net liability disclosed above relates to funded plans. The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional contribution. The Group intends to contribute in line with the recommendations of the fund administrator and the actuary.

- b The net liability disclosed above relates to funded and unfunded plans are as follows:

Plan type	As at March 31, 2018	As at March 31, 2017
Present value of obligation	8,768	7,714
Fair value of plan assets	(8,336)	(6,405)
<b>Total liability</b>	<b>432</b>	<b>1,309</b>

- c As at March 31, 2018 and March 31, 2017, plan assets were primarily invested in insurer managed funds.  
d Through its defined benefit plans, the group is exposed to number of risks, the most significant of which

## Notes to the Consolidated Financial Statements

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are detailed below:

**Asset Volatility:** The Plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform, this yield will create a deficit. The plan asset investments are in fixed income securities with high grades. These are subject to interest rate risk.

**Changes in bond yield:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within the framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The group has not changed the process used to manage its risks from previous periods.

- e The Group expects to contribute Rs. 2,057 lakhs to the defined benefit plan during the next annual reporting period.

Weighted average duration of the Projected Benefit Obligation is 12 Years (March 31, 2017 - 15 Years)

f

Estimated benefit payments from the fund for year ending	As at March 31, 2018	As at March 31, 2017
March 31, 2018	N.A	151
March 31, 2019	325	148
March 31, 2020	275	155
March 31, 2021	363	233
March 31, 2022	448	352
March 31, 2023	417	390
Thereafter	3,064	2,907

The expected benefits are based on the same assumptions used to measure the Group's benefit obligations as of March 31, 2018.

- g **Provident fund :** The Group makes contribution towards provident fund which is administered by the trustees. The contributions is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return. The Group has obtained an actuarial valuation of the liability according to which there is no deficit as at the Balance Sheet date. The movement of liability and plan assets is as under:

ga **Present Value of Defined Benefit Obligation**

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	24,866	20,931
Liability transferred (Refer note 36)	574	1,609
Interest cost	2,124	1,694
Current service cost	1,495	1,339
Employee contribution	2,637	2,453
Benefit paid	(2,677)	(3,158)
Actuarial (gains)/losses	-	-
Balance as at the end of the year	29,019	24,866

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### gb Fair value of Plan Assets (Restricted to the extent of Present Value of Obligation)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	25,269	21,225
Expected return on plan assets	2,124	1,694
Contributions by the Company	4,131	3,791
Transfer from other Company	574	1,609
Benefit paid	(2,677)	(3,158)
Actuarial gains/(losses)	(44)	108
<b>Balance as at the end of the year</b>	<b>29,377</b>	<b>25,269</b>

### gc

Particulars	As at March 31, 2018	As at March 31, 2017
Assets and Liabilities recognised in the Balance Sheet	-	-

### gd Expenses recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2018	As at March 31, 2017
Current service cost	1,495	1,339
Interest cost	2,124	1,694
Expected return on plan assets	(2,124)	(1,694)
<b>Total expenses recognised in the statement of profit and loss</b>	<b>1,495</b>	<b>1,339</b>

### ge The plan assets have been primarily invested as follows :

Category of Assets	Year ended March 31, 2018	Year ended March 31, 2017
Central Government of India Assets	5,540	5,224
State Government of India Assets	7,923	5,965
Special Deposits Scheme	-	253
Private Sector Bonds	14,266	12,671
Equity / Mutual Funds	664	424
Cash and Cash Equivalents	131	213
Others	853	519
<b>Total</b>	<b>29,377</b>	<b>25,269</b>

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(All amounts in INR Lakhs, unless otherwise stated)

**gf** The principal assumptions used for the purpose of actuarial valuation are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
<b>India</b>		
Discount Rate *	7.73%	7.27%
Salary Escalation Rate **	7.00%	7.00%
Rate of Employee Turnover		
-For services 4 years and below	13.00%	25.00%
-For services 5 years and above	3.00%	1.00%

\* Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

\*\* The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

**gg** Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:

Particulars	As at March 31, 2018	As at March 31, 2017
- 1% increase in discount rate	(10.40%)	(12.87%)
- 1% decrease in discount rate	12.22%	15.42%
- 1% increase in salary escalation rate	12.19%	15.30%
- 1% decrease in salary escalation rate	(10.56%)	(13.01%)
- 1% increase in rate of employee turnover	0.44%	0.28%
- 1% decrease in rate of employee turnover	(0.59%)	(0.42%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

**(ii) Defined contribution plans:**

The Group 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' Family Pension Fund	1,119	786
Contribution to Employees' Superannuation Fund	74	81
Contribution to Employees' Social Security Fund	3,478	2,536
Contribution to Employees' 401(K) Fund	887	830
Contribution to Central Provident Fund in Singapore	50	36
Contribution to National Insurance of UK	1,179	392
Contribution to Medicare Fund	921	674
Contribution to Social Security China	-	9

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

### 16 Other Current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
- Statutory dues	2,918	2,535
- Unearned revenue	9,278	8,175
- Others	35	1
<b>Total</b>	<b>12,231</b>	<b>10,711</b>

### 17 (a) Income taxes

Particulars	As at March 31, 2018	As at March 31, 2017
Income tax assets (net)	1,745	3,924
Income tax liabilities (net)	1,685	2,937
<b>Net total</b>	<b>60</b>	<b>987</b>

### 17 (b) Movement

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance	987	1,238
Income tax paid (net of refunds)	10,351	10,238
Current income tax expense (refer note 24 (i))	(11,611)	(10,669)
Adjustment for current tax of prior periods (refer note 24 (i))	(469)	163
Income tax on other comprehensive income (refer note 24 (iii))	(224)	86
Addition due to acquisition	-	(119)
Translation difference	430	(23)
Others	596	73
<b>Net total</b>	<b>60</b>	<b>987</b>

### 18 Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Software development and allied services	2,96,024	2,83,337
Sale of network and security products	10,097	15,026
Sale of licenses for software applications	4,653	7,196
<b>Total</b>	<b>3,10,774</b>	<b>3,05,559</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

### 19 Other income (net)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Interest Income from financial assets - Carried at amortised cost</b>		
- On deposits with banks	325	247
- Others	346	170
Dividend income on investments at FVTPL - Mutual fund units	132	38
Net gain on financial assets mandatorily measured at FVTPL	720	916
Profit on sale of investments measured at FVTPL - Mutual fund units	637	481
Net foreign exchange gain	4,652	207
Fair value gain/(loss) on share buyback liability	(175)	(159)
Profit on sale of fixed assets (net)	43	28
Provisions no longer required and credit balances written back	354	236
Miscellaneous Income	405	242
<b>Total</b>	<b>7,439</b>	<b>2,406</b>

### 20 Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	1,52,607	1,41,112
Contribution to provident and other funds (Refer note 15)	10,830	9,740
Employee share-based payment expense (Refer note 34)	369	1,014
Staff welfare expenses	6,729	7,685
<b>Total</b>	<b>1,70,535</b>	<b>1,59,551</b>

### 21 Finance Costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Interest on :</b>		
- Loans	248	184
- Finance lease	107	78
- Fair value of contingent consideration	1,231	-
- Others	33	21
Bank charges	648	594
<b>Total</b>	<b>2,267</b>	<b>877</b>

### 22 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	3,182	2,646
Amortization of intangible assets	3,326	2,209
<b>Total</b>	<b>6,508</b>	<b>4,855</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## 23 Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent (Refer Note 14)	7,987	7,483
Rates and taxes	1,031	955
Electricity and power	1,377	1,462
Travelling and conveyance	10,425	10,169
Recruitment expenses	944	1,122
Training expenses	774	778
Repairs and maintenance to :		
-Plant and machinery	230	329
-Data Processing Equipments	1,494	932
-Building	1,221	1,195
-Others	736	696
Insurance	543	307
Legal and professional charges	6,903	5,898
Directors' fees and commission	302	322
Communication expenses	2,431	2,336
General Office expenses	666	699
Carriage, freight and octroi	1,447	1,613
Advertisement and publicity	810	1,251
Expenditure towards Corporate social responsibility (See note 23 (a))	498	559
<b>Allowance for doubtful trade receivables</b>		
- Provided during the year	5,480	3,905
- Bad debts written off	1,186	790
- Less: Reversed during the year	2,954	900
	3,712	3,795
Miscellaneous expenses	1,367	1,187
<b>Total</b>	<b>44,897</b>	<b>43,089</b>

### 23 (a) Expenditure towards Corporate social responsibility

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent by the Company during the year	504	574
<b>Total</b>	<b>504</b>	<b>574</b>

Amount spent during the year on	Year ended March 31, 2018	Year ended March 31, 2017
a. Construction/ acquisition of any asset	-	-
b. On purposes other than (a) above	498	559
<b>Total</b>	<b>498</b>	<b>559</b>

## Notes to the Consolidated Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

### 24 Income tax expense

This note provides an analysis of Group'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 Group's tax positions.

(i)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Income tax expense</b>		
<b>Current Tax</b>		
Current Tax on profits for the year	11,611	10,669
Adjustment for current tax of prior periods	(469)	(163)
<b>Total current tax expense</b>	<b>11,142</b>	<b>10,506</b>
<b>Deferred tax</b>		
Decrease / (increase) in deferred tax assets	(156)	415
(Decrease) / increase in deferred tax liabilities	(478)	104
<b>Total deferred tax expense / (benefit)</b>	<b>(634)</b>	<b>519</b>
<b>Income tax expense</b>	<b>10,508</b>	<b>11,025</b>

In India, 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 commences 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 further five years subject to certain 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 India:

Particulars	As at March 31, 2018	As at March 31, 2017
Profit before taxes	35,157	34,862
Enacted Income tax rate in India	34.61%	34.61%
<b>Computed expected tax expenses</b>	<b>12,168</b>	<b>12,066</b>
Effect of Income exempt from tax	(1,918)	(1,346)
Effect of non deductible expenses	175	781
Changes in unrecognized deferred tax assets (net)	604	189
Income taxed at higher/(lower) rates	(267)	(157)
Income tax relating to prior years	(112)	(163)
Difference in overseas tax rates	(103)	(332)
Others items	(39)	(12)
	<b>10,508</b>	<b>11,025</b>

## Notes to the Consolidated Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

### (iii) Amounts recognised in OCI

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current tax	Deferred tax	Current tax	Deferred tax
<b>OCI</b>				
Fair value changes on cash flow hedges	-	557	-	(246)
Remeasurements of post employment benefit obligations	(224)	-	252	-
Exchange difference on translation of foreign operations	-	-	(166)	-
Change in fair value of equity instruments	-	255	-	104
<b>Total</b>	<b>(224)</b>	<b>812</b>	<b>86</b>	<b>(142)</b>

### (iv) Tax losses

Particulars	As at March 31, 2018	As at March 31, 2017
Unused tax losses on which no deferred tax asset has been recognised	505	525
Potential tax benefit @ 23.296%	118	121

Deferred tax asset was not recognised due to absence of reasonable certainty of taxable capital profits to utilize this deferred tax asset. The losses can be carried forward for a period of 8 years as per local tax regulations.

- (v) **Changes in tax rate** - The applicable Indian statutory tax rate for the financial year 2017-18 and financial year 2016-17 is 34.61%

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## 25 Fair value measurements

Financial instruments by category:

Particulars	As at March 31, 2018				As at March 31, 2017			
	FVTPL	FVOCI	Derivative financial assets/liabilities	Amortised cost	FVTPL	FVOCI	Derivative financial assets/liabilities	Amortised cost
<b>Financial assets</b>								
Investments:								
- equity instruments	-	2,372	-	-	-	2,304	-	-
- mutual funds	24,300	-	-	-	21,966	-	-	-
- non convertible debentures	791	-	-	-	-	-	-	-
Trade receivables	-	-	-	64,226	-	-	-	53,317
Cash and cash equivalents	-	-	-	20,416	-	-	-	32,713
Other bank balances	-	-	-	271	-	-	-	196
Derivative financial assets	-	-	169	-	-	-	1,544	-
Security deposits	-	-	-	1,797	-	-	-	1,823
Unbilled revenues	-	-	-	30,468	-	-	-	25,496
Others	-	-	-	578	-	-	-	9
<b>Total financial assets</b>	<b>25,091</b>	<b>2,372</b>	<b>169</b>	<b>1,17,756</b>	<b>21,966</b>	<b>2,304</b>	<b>1,544</b>	<b>1,13,554</b>
<b>Financial liabilities</b>								
Borrowings	-	-	-	935	-	-	-	13,406
Trade payables	-	-	-	18,393	-	-	-	17,526
Capital creditors	-	-	-	21	-	-	-	207
Accrued salaries and benefits	-	-	-	7,711	-	-	-	7,046
Derivative financial liabilities	-	-	674	-	-	-	-	-
Contingent consideration	9,821	-	-	-	2,451	-	-	-
Other financial liabilities	1,567	-	-	2,216	1,207	-	-	678
<b>Total financial liabilities</b>	<b>11,388</b>	<b>-</b>	<b>674</b>	<b>29,276</b>	<b>3,658</b>	<b>-</b>	<b>-</b>	<b>38,863</b>

### (i) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value, and
- 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. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial investments at FVTPL</b>					
Mutual funds	6(a), (b)	24,300	-	-	24,300
Non convertible debentures	6(a)	791	-	-	791
<b>Financial investments at FVOCI</b>					
Equity instruments	6(a)	0	-	2,372	2,372
<b>Derivatives designated as hedges</b>					
Foreign exchange forward contracts	6(g)	-	169	-	169
<b>Total financial assets</b>		<b>25,091</b>	<b>169</b>	<b>2,372</b>	<b>27,632</b>
<b>Financial liabilities</b>					
Contingent consideration	12(b)	-	-	9,821	9,821
Foreign currency derivative liabilities	12(b)	-	674	-	674
Fair value of financial liability	12(b)	-	-	1,567	1,567
<b>Total financial liability</b>		<b>-</b>	<b>674</b>	<b>11,388</b>	<b>12,062</b>

## Notes to the Consolidated Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2017</i>	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial investments at FVTPL</b>					
Mutual funds	6(a), (b)	21,966	-	-	21,966
<b>Financial investments at FVOCI</b>					
Equity instruments	6(a)	0	-	2,304	2,304
<b>Derivatives designated as hedges</b>					
Foreign exchange forward contracts	6(g)	-	1,544	-	1,544
<b>Total financial assets</b>		<b>21,966</b>	<b>1,544</b>	<b>2,304</b>	<b>25,814</b>
<b>Financial liabilities</b>					
Contingent consideration	12(b)	-	-	2,451	2,451
Fair value of financial liability	12(b)	-	-	1,207	1,207
<b>Total financial liability</b>		<b>-</b>	<b>-</b>	<b>3,658</b>	<b>3,658</b>

**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) but 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) Fair value measurement using significant Unobservable Inputs (Level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2018 and March 31, 2017

Particulars	Unlisted Equity Securities	Contingent Consideration
<b>As at March 31, 2017</b>	<b>2,304</b>	<b>2,451</b>
Fair value gain/(losses) recognized in other comprehensive income	7	-
Fair value gain/(losses) recognized in statement of profit and loss	-	1,231
Addition on business combination	-	6,150
Foreign Exchange fluctuation	62	(11)
<b>As at March 31, 2018</b>	<b>2,372</b>	<b>9,821</b>

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### (iii) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable inputs	Probability-weighted range		Sensitivity
	As at March 31, 2018	As at March 31, 2017		As at March 31, 2018	As at March 31, 2017	
Unquoted equity shares	2,372	2,304	Earnings growth rate (CAGR)	10.00%	10.00%	2018: Increasing/decreasing the earnings growth factor by 100bps would increase/decrease the FV by Rs. 210 lakhs 2017: Increasing/decreasing the earnings growth factor by 100bps would increase/decrease the FV by Rs. 241 lakhs
			Risk adjusted discount rate	10.94%	11.16%	2018: Increasing/decreasing the discount rate by 100bps would decrease/increase the FV by Rs. 186 lakhs 2017: Increasing/decreasing the discount rate by 100bps would decrease/increase the FV by Rs. 197 lakhs
Contingent consideration	9,821	2,451	Expected cash outflows	11,483	2,993	2018: If expected cash flows were 10% lower, the FV would decrease by Rs. 985 lakhs. 2017: If expected cash flows were 10% lower, the FV would decrease by Rs. 245 lakhs.
			Discount rate	7.53% - 16.32%	7.53%	2018: A change in discount rate by 100bps would increase/decrease the FV by Rs. 87 lakhs 2017: A change in discount rate by 100bps would increase/decrease the FV by Rs. 64 lakhs

### (iv) Valuation technique used to determine fair value

The following methods and assumptions were used to estimate the fair value of the level 2 financial instruments included in the above tables:

Derivative instruments: The Company enters into foreign currency forward contracts with banks with investment grade credit ratings. These are valued using the forward pricing valuation technique, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot and forward rates. As at March 31, 2018, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

The main level 3 inputs for unquoted equity instruments and contingent consideration, used by the Group are derived and evaluated as follows:

1. Unquoted Equity instruments are valued based on expected cash flows discounted using weighted average cost of capital.
2. Contingent consideration : Fair value of contingent consideration is based on management's assessment of probable consideration payable discounted using weighted average cost of capital.

### (v) 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. Unbilled revenue
6. Interest accrued on deposits

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7. Borrowings
8. Trade payables
9. Capital creditors
10. Unclaimed dividends
11. Accrued salaries and benefits
12. Other payables

### 26 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group is foreign exchange risk. The Group uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments. The Group's exposure to credit risk 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

##### i) Foreign currency risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States, South Africa, United Kingdom and elsewhere, and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies. The Group evaluates exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Group follows established risk management policies, to hedge forecasted cash flows denominated in foreign currency. The Group has designated certain derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

##### aa The Group's exposure to foreign currency risk as of March 31, 2018 expressed in INR lakhs, is as follows:

Particulars	As at March 31, 2018					
	USD	GBP	ZAR	EUR	Other currencies	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,029	237	2,106	490	742	4,604
Trade receivables	2,227	87	346	144	600	3,404
Other assets	989	-	41	492	82	1,604
<b>Financial liabilities</b>						
Trade payables	147	80	443	15	1,141	1,826
Employee benefit obligations	-	19	203	-	56	278
Other liabilities	7,207	40	130	6	66	7,449
<b>Net assets / (liabilities)</b>	<b>(3,109)</b>	<b>185</b>	<b>1,717</b>	<b>1,105</b>	<b>161</b>	<b>59</b>

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(All amounts in INR Lakhs, unless otherwise stated)

ab The Group's exposure to foreign currency risk as of March 31, 2017 expressed in INR lakhs, is as follows:

Particulars	As at March 31, 2017					
	USD	GBP	ZAR	EUR	Other currencies	Total
<b>Financial assets</b>						
Cash and cash equivalents	3,215	470	-	1,634	1,560	6,879
Trade receivables	3,498	394	77	316	2,708	6,993
Other assets	2,236	0	25	557	74	2,892
<b>Financial liabilities</b>						
Trade payables	145	34	-	16	591	786
Employee benefit obligations	0	43	-	-	1,044	1,087
Other liabilities	534	6	2	4	644	1,190
<b>Net assets / (liabilities)</b>	<b>8,270</b>	<b>781</b>	<b>100</b>	<b>2,487</b>	<b>2,063</b>	<b>13,701</b>

ad **Sensitivity**

For the year ended March 31, 2018 and March 31, 2017, every percentage point appreciation/depreciation in the exchange rate would have affected the Company's operating margins respectively:

- INR/USD by approximately 0.35% and 0.21% ,
- INR/ZAR by approximately 0.09% and 0.03% ,
- INR/GBP by approximately 0.02% and 0.02% ,
- INR/EUR by approximately 0.01% and 0.01%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into reporting currency, due to every percentage point appreciation/depreciation in the exchange rates.

ae **Derivative financial instruments**

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange contracts:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Amount of contracts in lakhs	Fair Value - Gain / (Loss) (INR in lakhs)	Amount of contracts in lakhs	Fair Value - Gain / (Loss) (INR in lakhs)
<b>Derivatives designated as cash flow hedge</b>				
<b>Forward contracts</b>				
In USD	100	109	293	1,348
In GBP	17	(98)	25	192
In ZAR	345	(60)	50	4
<b>Total forwards</b>		<b>(49)</b>		<b>1,544</b>

The foreign exchange forward contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

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(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one month	18	341
Later than one month and not later than three months	(27)	440
Later than three months and not later than one year	(40)	763

During the year ended March 31, 2018, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sale transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve:

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	1,009	545
Gain / (loss) recognised in OCI during the year	(1,593)	710
Tax impact on above	557	(246)
Balance at the end of the year	(27)	1,009

### Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	-	13,029
Fixed rate borrowings	-	-
<b>Total borrowings</b>	-	<b>13,029</b>

### Sensitivity

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

Particulars	Impact on profit after tax	
	As at March 31, 2018	As at March 31, 2017
Interest rates - increase by 50 basis points (50 bps)	-	(17)
Interest rates - decrease by 50 basis points (50 bps)	-	17

### (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

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Rs. 64,226 lakhs and Rs. 53,317 lakhs as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to Rs. 30,468 lakhs and Rs. 25,496 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, South Africa, United Kingdom and elsewhere. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness 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.

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

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue from top customer	25.05%	25.03%
Revenue from top five customers	36.29%	37.82%

- bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was Rs. 7,781 lakhs and Rs. 5,193 lakhs respectively. The increase in allowance for expected credit losses on customer balances for the year ended March 31, 2018 and March 31, 2017 was Rs. 5,480 lakhs and Rs.3,905 lakhs respectively.

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	5,193	3,507
Allowance for doubtful debts	5,480	3,905
Reversal of allowance for doubtful debts	(2,954)	(900)
Translation differences	62	(1,319)
Balance at the end	7,781	5,193

- bc Credit risk on cash and cash equivalents is limited as the Group 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 Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group'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 Group'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.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2018				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	595	-	595	-	595
Trade payables	18,393	18,393	-	-	18,393
Other liabilities	22,350	16,149	6,201	-	22,350

Particulars	As at March 31, 2017				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	13,055	13,029	26	-	13,055
Trade payables	17,526	17,526	-	-	17,526
Other liabilities	11,940	8,860	3,080	-	11,940

## 27 Capital management

### (a) Risk management

The Company manages its capital to ensure that it will be able to continue as going concern 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 12 (a) & 12 (b) and 6 (e) 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.

## 28 Segment information

The Board of Directors examines the Group's performance based on the services, products and geographic perspective and has identified below mentioned reportable segments of its business as follows:

**Application Management Services (AMS)** : Custom Applications Management Services that include Application Development, Maintenance, Support, Modernization and Testing Services across a wide technology spectrum and Industry verticals.

**Infrastructure Management Services (IMS)** : Infrastructure management services includes Hybrid IT, Digital workplace, Dynamic Security and Unified IT provided under managed service platform using automation, autonomies and machine learning.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Income and expenditure in relation to segments is categorised based on items that are individually identifiable to the segment, marketing costs are allocated based on revenue and the remainder of the costs are allocated based on resources. Certain expenses like depreciation are not specifically allocable to a segment as the underlying assets are used interchangeably.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Year ended March 31, 2018			
Particulars	AMS	IMS	Total
Revenue from external customers	2,59,118	51,656	3,10,774
Segment profit	38,638	(599)	38,039

Particulars	AMS	IMS	Total
<b>A. Segment Assets</b>			
Trade Receivables	53,256	10,970	64,226
Inventories	-	10,600	10,600
Unbilled Revenue	26,122	4,346	30,468
Goodwill	24,716	17,518	42,234
Unallocable Assets			82,114
<b>TOTAL ASSETS</b>			<b>2,29,642</b>
<b>B. Segment Liabilities</b>			
Unearned Revenue	6,001	3,277	9,278
Unallocable Liabilities			52,109
<b>Total Liabilities</b>			<b>61,387</b>

Year ended March 31, 2017			
Particulars	AMS	IMS	Total
Revenue from external customers	2,39,860	65,699	3,05,559
Segment profit	44,653	(2,434)	42,219

Particulars	AMS	IMS	Total
<b>A. Segment Assets</b>			
Trade Receivables	39,665	13,652	53,317
Inventories	-	11,267	11,267
Unbilled Revenue	20,161	5,335	25,496
Goodwill	14,332	17,432	31,764
Unallocable Assets			88,724
<b>TOTAL ASSETS</b>			<b>2,10,568</b>
<b>B. Segment Liabilities</b>			
Unearned Revenue	4,208	3,967	8,175
Unallocable Liabilities			54,496
<b>Total Liabilities</b>			<b>62,671</b>

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed at group basis. Also, Current tax, deferred taxes are not allocated to those segments as they are also managed on a group basis.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

## Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	Note	As at March 31, 2018	As at March 31, 2017
Segment profit		38,039	42,219
Finance income	19	671	417
Fair value gain on financial assets at fair value through profit or loss	19	720	916
Finance costs	21	(2,267)	(877)
Unallocated expenses net of other income		(2,006)	(7,812)
<b>Profit before tax</b>		<b>35,157</b>	<b>34,862</b>

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognised.

Revenue from external customers	As at March 31, 2018	As at March 31, 2017
United States of America	2,21,438	2,20,971
United Kingdom	43,278	35,514
Rest of the World	46,058	49,074
<b>Total</b>	<b>3,10,774</b>	<b>3,05,559</b>

Revenue of approximately Rs 77,839 lakhs (March 31, 2017- Rs 77,112 lakhs) are derived from single external customer. These revenue are attributed to the AMS and IMS segment.

Management believes that currently it is not practicable to provide disclosures of assets by geographical location, as meaningful segregation of the available information is onerous.

## 29 Interests in other entities

### (a) Subsidiaries

The group's subsidiaries at March 31, 2018 are set below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business

Name of Entity	Place of Business/ Country of Incorporation	Proportion of Ownership interest & voting power		Ownership interest held by non-controlling interests	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
		%	%	%	%
Zensar Technologies (Singapore) Pte. Limited		100	100	-	-
Zensar Info Technologies (Singapore) Pte. Limited (refer note (iii) below)	Singapore	100	-	-	-
Foolproof (SG) Pte Limited		100	100	-	-
Zensar (Africa) Holdings Proprietary Limited	South Africa	100	100	-	-
Zensar (South Africa) Proprietary Limited		75	75	25	25
Zensar Technologies (Shanghai) Company Limited	China	100	100	-	-

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Name of Entity	Place of Business/ Country of Incorporation	Proportion of Ownership interest & voting power		Ownership interest held by non-controlling interests	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
		%	%	%	%
Zensar Technologies (UK) Limited		100	100	-	-
Foolproof Limited	United Kingdom	100	100	-	-
Flow Interactive Limited (refer note (ii) below)		-	100	-	-
Knit Limited		100	100	-	-
Zensar Technologies, Inc.		100	100	-	-
PSI Holding Group, Inc.		100	100	-	-
Zensar Technologies IM, Inc.	United States of America	100	100	-	-
Keystone Logic Inc. (refer note (i) below)		100	-	-	-
Professional Access Limited		100	100	-	-
Zensar Advanced Technologies Limited	Japan	Refer note (v) below	Refer note (v) below	-	-
Zensar Technologies IM B.V.	Netherlands	100	100	-	-
Zensar Information Technologies Limited (refer note (iv) below)	India	100	-	-	-
Zensar IT Services Limited (refer note (iv) below)	India	100	-	-	-
Zensar Software Technologies Limited (refer note (iv) below)	India	100	-	-	-

### Notes:

- (i) The Company on April 1, 2017, completed the acquisition of business from Keystone Logic Solutions Private Limited through a Business Undertaking Transfer Agreement dated March 30, 2017. In accordance with the agreement, the company has paid the initial consideration of Rs. 4,987 lakhs and accrued the contingent consideration payable over next three years till FY 2019-20 as per mutually agreed milestones and conditions of an amount upto Rs. 8,000 lakhs (USD 12.39 million). Further, the Company through its subsidiary, Zensar Technologies Inc. has acquired 100% stake in Keystone Logic Inc. based in US on March 30, 2017 for a total consideration of USD 5.95 Million. The acquisition was consummated on April 1, 2017.
- (ii) Flow Interactive Limited, a 100% subsidiary of Foolproof Limited, was voluntary liquidated on November 7, 2017
- (iii) Zensar Technologies (Singapore) Pte. Limited incorporated a new 100% subsidiary in Singapore namely Zensar Info Technologies (Singapore) Pte. Limited on September 5, 2017.
- (iv) During FY 2017-18, the company incorporated 3 100% subsidiaries in India namely Zensar Information Technologies Limited, Zensar Software Technologies Limited and Zensar IT Services Limited.
- (v) Zensar Advance Technologies Limited (company's 100% subsidiary in Japan), has been voluntarily liquidated as per the local laws in Japan.

The company has applied to RBI for approval for writing off investments from the books of account and waiting for their approval.

### (b) Non-controlling interests (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests that are material to the Group.

The amount disclosed are before inter-company eliminations

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Summarised Balance sheet	Zensar (South Africa) Proprietary Limited	
	As at March 31, 2018	As at March 31, 2017
Current assets	15,875	11,152
Current liabilities	11,894	8,741
<b>Net current assets</b>	<b>3,981</b>	<b>2,411</b>
Non-current assets	180	83
Non-current liabilities	-	5
<b>Net non-current assets</b>	<b>180</b>	<b>78</b>
<b>Net assets</b>	<b>4,161</b>	<b>2,489</b>
<b>Accumulated NCI</b>	<b>1,365</b>	<b>741</b>

(c)

Summarised statement of profit and loss	Zensar (South Africa) Proprietary Limited	
	As at March 31, 2018	As at March 31, 2017
Revenue	24,961	18,275
Profit for the year	1,984	1,403
Other comprehensive income	514	-
<b>Total Comprehensive income</b>	<b>2,498</b>	<b>1,403</b>
Profit allocated to NCI	496	350

(d)

Summarised Cash flows	Zensar (South Africa) Proprietary Limited	
	As at March 31, 2018	As at March 31, 2017
<b>Net cash inflow/(outflow) for the year</b>	<b>(2,568)</b>	<b>2,029</b>

(e) Aquila Technology Corp (Aquila) was acquired by Zensar Technologies Inc. as part of the group acquisition of PSI Holding Group Inc (PSI) in 2010.

A service agreement between Aquila and a customer of Aquila required independence, separation of its operations and lack of interdependence of Aquila on its related affiliates/parent. Accordingly, this led to loss of control over Aquila for the Group as the Group has no ability to direct the relevant activities of and exercise control over Aquila. Therefore Aquila is not considered as a subsidiary of PSI within the definition prescribed under Ind AS 110 and hence not consolidated by the Group.

(f) Statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries under the first proviso to sub-section (3) of section 129 (Form AOC-1) - Refer Annexure - I.

### 30 Related party disclosure

#### A List of related parties

##### (i) List of subsidiaries

Refer to note 29 (a)

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

### (ii) Key Management Personnel

Name	Designation	Tenure
H.V Goenka	Chairman	
Sandeep Kishore	Chief Executive Officer and Managing Director	
Ganesh Natarajan	Vice Chairman and Managing Director	Till 30th April 2016
S. Balasubramaniam	Chief Financial Officer	Till 15th Jan 2017
Manoj Jaiswal	Chief Financial Officer	W.e.f 16th Jan 2017 - Till 4th Dec 2017
Navneet Khandelwal	Chief Financial Officer	W.e.f 18th Jan 2018
Nilesh Limaye	Company Secretary	Till 31st Jan 2018
Gaurav Tongia	Company Secretary	W.e.f 1st Feb 2018
A.T. Vaswani	Non-Executive Director	
P.K. Mohapatra	Non-Executive Director	Till 13th Mar 2017
Arvind Agrawal	Non-Executive Director	
Venkatesh Kasturirangan	Non-Executive Director	
Madhabi Puri Buch	Non-Executive Director	Till 3rd April 2017
Sudip Nandy	Non-Executive Director	
Shashank Singh	Non-Executive Director	
Ben Druskin	Non-Executive Director	W.e.f 3rd Nov 2017
Ketan Dalal	Non-Executive Director	W.e.f 3rd Nov 2017
Tanuja Randrey	Non-Executive Director	W.e.f 18th Jan 2018
Harsh Mariwala	Non-Executive Director	W.e.f 18th Jan 2018

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

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

### (iv) Post employment benefit plans:

- Zensar PF Trust
- Zensar Gratuity Trust
- Zensar Superannuation Trust

## Notes to the Consolidated Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

### (v) Entities which have the ability to exercise influence over the company:

Swallow Associates LLP	Secura India Trust through Trustee, H.V. Goenka
Summit Securities Limited	Sudarshan Electronics and TV Ltd
Instant Holdings Limited	Stellar Energy Trust through Trustee, H.V. Goenka
Sofreal Mercantrade Private Limited	Nucleus Life Trust through Trustee, H.V. Goenka
Chattarpati Apartments LLP	Monitor Portfolio Trust through Trustee, H.V. Goenka
Crystal India Tech Trust through Trustee, H.V. Goenka	Prism Estates Trust through Trustee, H.V. Goenka
Marina Holdco (FPI) Ltd.	

### B Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018		As at March 31, 2017	
				Receivable	Payable	Receivable	Payable
<b>A.</b>	<b>Revenue from rendering services</b>						
(i)	RPG Life Sciences Limited	41	63	-	-	15	-
(ii)	RPG Enterprises	341	276	393	-	5	-
(iii)	CEAT Limited	130	53	153	-	-	-
(iv)	Harrisons Malayalam Limited	-	-	5	-	5	-
(v)	CEAT Speciality Tyres Limited	35	-	-	-	-	-
	<b>Total of Revenue from rendering services</b>	<b>547</b>	<b>392</b>	<b>551</b>	<b>-</b>	<b>25</b>	<b>-</b>
<b>B.</b>	<b>Other Income</b>						
(i)	KEC International Limited	-	-	0	-	0	-
(ii)	CEAT Limited	-	8	4	-	1	-
	<b>Total of Other Income</b>	<b>-</b>	<b>8</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>C.</b>	<b>Cost recharges debited to the company</b>						
(i)	RPG Enterprises	1,451	1,268	-	168	-	96
(ii)	CEAT Limited	7	15	-	-	-	-
(iii)	Harrisons Malayalam Limited	1	0	-	1	-	-
	<b>Total of Cost recharges debited to the company</b>	<b>1,459</b>	<b>1,283</b>	<b>-</b>	<b>169</b>	<b>-</b>	<b>96</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018		As at March 31, 2017	
				Receivable	Payable	Receivable	Payable
<b>D.</b>	<b>Dividend on Equity Shares Paid</b>	<b>2018</b>	<b>2017</b>				
(i)	Swallow Associates LLP	1,453	606	-	-	-	-
(ii)	Summit Securities Limited	591	246	-	-	-	-
(iii)	Instant Holdings Limited	415	170	-	-	-	-
(iv)	Sofreal Mercantrade Private Limited	135	56	-	-	-	-
(v)	Chattarpati Apartments LLP	5	-	-	-	-	-
(vi)	Crystal India Tech Trust through Trustee, H.V Goenka	27	10	-	-	-	-
(vii)	Secura India Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(viii)	Sudarshan Electronics and TV Ltd	0	0	-	-	-	-
(ix)	Stellar Energy Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(x)	Nucleus Life Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(xi)	Monitor Portfolio Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(xii)	Prism Estates Trust through Trustee, H.V Goenka	0	0	-	-	-	-
(xiii)	H.V Goenka	4	1	-	-	-	-
(xiv)	S. Balasubramaniam	5	2	-	-	-	-
(xv)	Manoj Jaiswal	0	0	-	-	-	-
(xvi)	A.T. Vaswani	1	1	-	-	-	-
(xvii)	Harsh Mariwala	0	-	-	-	-	-
(xviii)	Marina Holdco (FPI) Ltd	1,236	515	-	-	-	-
	<b>Total of Dividend on Equity Shares paid</b>	<b>3,872</b>	<b>1,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E.</b>	<b>Donations</b>						
(i)	RPG Art Foundation	15	15	-	-	-	-
(ii)	RPG Foundation	329	414	-	-	-	-
	<b>Total of Donations made</b>	<b>344</b>	<b>429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## F. Compensation of Key management personnel #

	Particulars	For the Year ended March 31, 2018					
		Sandeep Kishore	S. Balasubramaniam	Manoj Jaiswal	Navneet Khandelwal	Nilesh Limaye	Gaurav Tongia
1	Short Term Benefits	## 13	45	117	51	40	15
2	Post-Employment Benefits	2	63	4	1	7	1
3	Long-term Employee benefits	-	-	1	-	3	-
4	Prequisite value of Employee Stock options	-	-	-	-	-	-
	<b>Total of Compensation of Key management personnel</b>	<b>15</b>	<b>108</b>	<b>122</b>	<b>52</b>	<b>50</b>	<b>16</b>
	<b>Outstanding as on March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>3</b>

# doesn't include the provision for Gratuity and Leave Encashment as these are provided at the company level.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	For the Year ended March 31, 2017				
		Sandeep Kishore	Ganesh Natarajan	S. Balasubramaniam	Manoj Jaiswal	Nilesh Limaye
1	Short Term Benefits	## 13	466	81	26	37
2	Post-Employment Benefits	2	110	5	1	1
3	Long-term Employee benefits	-	17	-	-	-
4	Prerequisite value of Employee Stock options	-	-	76	-	-
	<b>Total of Compensation of Key management personnel</b>	<b>15</b>	<b>593</b>	<b>162</b>	<b>27</b>	<b>38</b>
	<b>Outstanding as on March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>5</b>	<b>5</b>

## Sandeep Kishore remuneration excludes Rs. 945 lakhs (previous year: Rs. 1,032 lakhs paid) as remuneration by Zensar Technologies Inc.

Directors Fees & Commission	For the year ended March 31, 2018	For the year ended March 31, 2017
H.V Goenka	215	292
P. K. Choksey	-	5
A.T. Vaswani	16	19
P.K. Mohapatra	6	17
Arvind Agrawal	12	7
Venkatesh Kasturirangan	11	12
Madhabi Puri Buch	6	12
Sudip Nandy	14	11
Shashank Singh	13	15
Ben Druskin	3	-
Ketan Dalal	4	-
John Leveck	-	3
Tanuja Randrey	2	-
Harsh Mariwala	1	-
<b>Total Directors Fees and Commission</b>	<b>303</b>	<b>393</b>
<b>Outstanding Payable</b>	<b>250</b>	<b>259</b>

### Stock Options of Key Management Personnel's

Particulars	Year ended 31st March 2018				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	2,50,000	-	1,25,000	-	1,25,000
Ganesh Natrajan	12,000	-	-	-	12,000
S. Balasubramaniam	-	-	-	-	-
Manoj Jaiswal	-	-	-	-	-
Nilesh Limaye	2,000	-	200	-	1,800
Navneet Khandelwal	-	-	-	-	-

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31st March 2017				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	1,25,000	1,25,000	-	-	2,50,000
Ganesh Natrajan	12,000				12,000
S. Balasubramaniam	8,000			8,000	-
Manoj Jaiswal	-	-	-	-	-
Nilesh Limaye	2,000				2,000
Navneet Khandelwal	-	-	-	-	-

The above table includes aggregate number of Stock options granted under the existing ESOP schemes of the company.

Out of total cancellation of 1,25,000 stock options granted to Sandeep Kishore under 2006 ESOP, 1,00,000 have been cancelled on account of voluntary surrender of stock options granted to him under ESOP 2006.

### 31 Impairment

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a Cash Generated Unit (CGU) or group of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

#### Goodwill movement:

Particulars	Amount
<b>As on March 31, 2017</b>	<b>31,764</b>
Add: Addition on acquisition (refer note 36 (b) & (c))	9,612
Add: Translation difference	857
<b>As on March 31, 2018</b>	<b>42,234</b>

Goodwill is measured by the management at operating segment level in case of IMS. Goodwill with respect to the AMS operating segment is further allocated to identified CGU.

As at March 31, 2018 and March 31, 2017 goodwill has been allocated to the following operating segment:

Particulars	As at March 31, 2018	As at March 31, 2017
Infrastructure management services (IMS)	17,518	17,432
Application management services (AMS)	24,716	14,332
<b>Total</b>	<b>42,234</b>	<b>31,764</b>

The recoverable amount was computed based on value-in-use being higher than fair value less cost to sell. The carrying amount was computed by allocating the net assets to operating segments for the purpose of impairment testing.

Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

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The average range of key assumptions used for the calculations are as follows:

Particulars	(in %)	
	As at March 31, 2018	As at March 31, 2017
Terminal growth rate		
- IMS	3-4	4-5
- AMS	0-2	-
After tax discount rate		
- IMS	13-15	12-14
- AMS	10-18	10-11

Based on the above, no impairment was identified as of March 31, 2018 and March 31, 2017 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU or the IMS segment would fall below their respective carrying amounts.

### 32 Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) <u>Income Tax:</u>		
Matters decided in favour of the Company by appellate authorities, where the Income Tax Department is in further appeal.	980	981
Matters on which the Company is in appeal	1,271	815
(b) <u>Sales Tax / Value Added Tax:</u>		
Claims against the Company regarding sales tax against which the Company has preferred appeals.	233	233
(c) Claims against the Company regarding service tax against which the Company has preferred appeal.	11	11
(d) Claim in respect of rented premises.	247	235
(e) Claims against the Company not acknowledged as debts.	1,324	1,413
(f) Standby letter of credit USD 250 lakhs by the Company's bankers in respect of working capital facilities availed by the Group.	-	16,213
(g) Bank Guarantees	2,775	2,108
(h) Letter of credit	652	652

### 33 Commitments

(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Property plant and equipment	1,051	1,688
Intangible assets	108	444

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### (b) Non- cancellable operating leases

The Group has taken on lease certain facilities and equipment under operating lease arrangements that expire over the next five years. Rental expense incurred by the Company under operating lease agreements totalled approximately Rs. 7,987 lakhs (March 31, 2017 Rs. 7,483 lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Future minimum lease payments in respect of non-cancellable operating leases</b>		
Not later than one year	2,680	2,405
Later than one year and not later than five years	2,974	7,087
Later than five years	-	-

### (c) Finance lease: Company as lessee

The Company has finance lease for data processing equipments. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are, as follows:

-Minimum lease payments	As at March 31, 2018	As at March 31, 2017
Not later than one year	354	372
Later than one year but not later than five years	669	26
Later than five years	-	-
<b>Total</b>	<b>1,023</b>	<b>398</b>

-Present value of minimum lease payments	As at March 31, 2018	As at March 31, 2017
Not later than one year	340	352
Later than one year but not later than five years	595	25
Later than five years	-	-
<b>Total</b>	<b>935</b>	<b>377</b>

-Reconciliation of minimum lease payments and present value	As at March 31, 2018	As at March 31, 2017
Minimum lease rentals payable	1,023	398
Less: Finance charges to be recognized in subsequent periods	88	21
Present value of minimum lease payments payable	935	377

## 34 Share based payments

### (a) Employee Stock Option Plan, 2002 (2002 ESOP) and Employee Stock Option Plan, 2006 (2006 ESOP)

Under the 2002 ESOP and 2006 ESOP schemes, participants are granted options which vest equally over a period of 5 years from the date of grant. Participation in the plan is at the discretion of the Nomination and Remuneration Committee (NRC) and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

- The exercise price is determined based on the market price, being the closing price of the share on the stock exchange with higher trading volume on the day preceding the day of the grant of options. The scheme allows the NRC to set the exercise price at a premium or discount not exceeding 20% on the market price.

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- The options remain exercisable for 10 years from the date of vesting and lapse if they remain unexercised during this period.
- Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

Stock option activity under the “2002 ESOP” scheme is as follows:

Particulars	2017-18		2016-17	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	43,950	84.28	55,850	83.24
Granted during the year	-	-	-	-
Cancelled during the year	3,852	92.90	-	-
Exercised during the year	10,550	84.12	(9,500)	84.76
Expired during the year	8,406	-	(2,400)	58.08
Outstanding at the end of the year	21,142	81.96	43,950	84.28
Exercisable at the end of the year	21,142	-	43,950	-

Stock option activity under the “2006 ESOP” scheme is as follows:

Particulars	2017-18		2016-17	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	7,88,678	607.17	10,29,982	420.39
Granted during the year	-	-	2,13,000	1,007.86
Cancelled during the year	3,75,452	712.79	(2,21,594)	554.81
Exercised during the year	1,05,900	234.83	(2,32,710)	194.28
Expired during the year	12,546	-	-	-
Outstanding at the end of the year	2,94,780	448.99	7,88,678	607.17
Vested and Exercisable at the end of the year	2,00,380	-	2,45,658	-

### (b) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Vesting under EPAU 2016 is dependent upon achievement of certain performance targets over a period of time as stated in the agreement.

The exercise price is Rs. 10 per unit and all vested units need to be exercised no later than two and half months from the end of calendar year in which vesting happens.

Stock option activity under the “EPAU 2016” scheme is as follows:

Particulars	2017-18		2016-17	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,53,818	-	-	-
Granted during the year	70,000	10	2,53,818	10
Cancelled during the year	18,313	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,05,505	10	2,53,818	10
Vested and exercisable at the end of the year	-	-	-	-

(c) Share options outstanding at the end of the year have the following expiry dates and exercise prices: 18

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Share based payment scheme	Grant year	Range of exercise prices	Expiry year	Share options as at	
				March 31, 2018	March 31, 2017
2006 scheme	FY 2006-2009	50 - 150	FY 2022-2024	1,200	3,600
	FY 2010-2013	50 - 275	FY 2025-2028	88,572	1,69,218
	FY 2014-2017	250 - 1100	FY 2029-2032	2,05,008	6,15,860
<b>Weighted average remaining contractual life of options outstanding at the end of the year</b>				<b>8.58 years</b>	<b>12.42 years</b>
2002 scheme	FY 2002-2005	30 - 80	FY 2018-2020	2,500	5,050
	FY 2006-2009	60 - 130	FY 2021-2024	18,642	38,900
<b>Weighted average remaining contractual life of options outstanding at the end of the year</b>				<b>1.9 years</b>	<b>4.65 years</b>
EPAU, 2016	FY 2016-2017	5-10	FY 2020-2023	2,35,505	2,53,818
	FY 2017-2018	5-10	FY 2021-2023	70,000	-
<b>Weighted average remaining contractual life of options outstanding at the end of the year</b>				<b>3.45 years</b>	<b>5.06 years</b>

### (d) Fair value of options granted

The fair value of the options at the grant date is determined using Black Scholes Model/Binomial Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

*The following tables illustrate the model inputs for options granted during the year ended March 31, 2018 and the resulting fair value of the options at the various grant dates:*

### (i) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Particulars	Grant date					
	20-07-17		24-11-2017		17-01-2018	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2
Expected Life (years) *	2.2	4.2	3.16	5.16	3.58	5.58
Volatility (%) **	36.8	36.33	34.03	34.07	35.16	33.51
Riskfree rate (%)	6.2	6.46	6.61	6.89	7.25	7.43
Exercise price (Rs.)	10	10	10	10	10	10
Dividend yield (%)	1.5	1.5	1.43	1.43	1.43	1.43
Fair value per vest	762.94	741.23	835.77	813.09	849.14	826.13
Vest %						
<b>Option fair value</b>	<b>749.91</b>		<b>822.16</b>		<b>835.34</b>	

\* The scheme allows for a maximum and minimum vesting of 70 % and 40 % on the first vesting date - 36 months after the date of grant and a maximum and minimum cumulative vesting of 220 % and 100 % at the final vesting date- 60 months from the date of grant depending upon the achievement of specified financial parameters. The expected life considered for valuation is based on management's estimate of the timing and quantum of achievement of the financial parameters between the two specified vesting dates.

\*\* The expected price volatility is based on the historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

## 35 Earnings per share

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as at and for the year ended March 31, 2018

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Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profits attributable to equity shareholders (Rs. in lakhs)	24,153	23,487
<b>Basic Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year (In no's)	4,49,30,695	4,47,38,529
<b>Basic EPS (Rs.)</b>	<b>53.76</b>	<b>52.50</b>
<b>Diluted Earnings Per Share</b>		
Weighted average number of equity shares outstanding during the year (In no's)	4,49,30,695	4,47,38,529
Effect of dilutive issue of stock options (In no's)	4,71,108	6,38,381
Weighted average number of equity shares outstanding for diluted EPS (In no's)	4,54,01,803	4,53,76,910
<b>Diluted EPS (Rs.)</b>	<b>53.20</b>	<b>51.76</b>

### 36 Business Combination

- (a) **Business combination occurring after the end of the reporting period but before the financial statements are approved:**

**Summary of acquisition:**

The Group entered into a Share Purchase Agreement dated March 21, 2018 to acquire 100% equity in Cynosure Interface Services Private Limited, an Indian IT company for a purchase consideration not exceeding Rs. 1300 lakhs, subject to certain conditions, payable upfront.

The Group, through its subsidiary, Zensar Technologies Inc. entered into Share Purchase Agreement dated March 21, 2018 to acquire 100% equity of Cynosure Inc., a USA based IT company for purchase consideration of USD 31 million payable upfront and balance amount of USD 28 million being earn-outs, subject to performance targets over 24 months.

The above mentioned acquisitions has been consummated in April 2018.

- (b) **Business combination occurring in the previous financial year:**

On November 2, 2016, Zensar Technologies (UK) Limited, entered into a Share Purchase agreement to acquire 100% shares in Foolproof Limited (Foolproof) along with its two wholly owned subsidiaries in UK and one wholly owned subsidiary in Singapore. Foolproof is an Experience Design Company, headquartered in London with other offices in Norwich and Singapore. The acquisition is a strategic investment in the experience design services and is aligned with Company's growing focus on digital solutions.

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Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

Particulars	Fair Value
Cash paid	6,051
Contingent consideration*	2,451
<b>Total purchase consideration</b>	<b>8,502</b>
<b>The assets and liabilities recognised as a result of the acquisition are as follows:</b>	
Intangible asset- Non compete agreements	49
Intangible asset- Customer relationship	1,552
Intangible asset- Brand	182
Furniture and fixtures	123
Data processing equipments	174
Computer software	2
Other net current assets	268
<b>Net identifiable assets acquired</b>	<b>2,350</b>
<b>Goodwill**</b>	<b>6,152</b>

\*contingent consideration is payable on achievement of pre-determined financial targets. As at March 31, 2018, management has estimated that these targets will be met and valued the consideration by applying a discount rate of 7.53%.

During the year ended March 31, 2018, Group has paid GBP 5,00,000 to erstwhile shareholders of Foolproof Limited against the first tranche of contingent consideration.

\*\*Goodwill is not deductible for income tax purposes.

During the year ended March 31, 2018, Group has finalised the accounting of business combination which was done on provisional basis during the previous year. Consequently the Goodwill amount has increased by Rs. 822 lakhs and corresponding decrease is recorded for other intangibles recognised for Non compete agreements, Customer relationship and Brand.

**(c) Business combination occurring in the current reporting period:**

The Group on April 1, 2017, completed the acquisition of business from Keystone Logic Solutions Private Limited through a Business Undertaking Transfer Agreement dated March 30, 2017. In accordance with the agreement, the company has paid the initial consideration of Rs. 4,987 lakhs and accrued the contingent consideration payable over next three years till FY 2019-20 as per mutually agreed milestones and conditions of an amount upto Rs. 8,000 lakhs (USD 12.39 million). Further, the Company through its subsidiary, Zensar Technologies Inc. has acquired 100% stake in Keystone Logic Inc. based in US on March 30, 2017 for a total consideration of USD 5.95 Million. The acquisition was consummated on April 1, 2017.

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Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

Particulars	Fair Value
Cash paid	8,841
Contingent consideration*	6,150
<b>Total purchase consideration</b>	<b>14,991</b>
<b>The assets and liabilities recognised as a result of the acquisition are as follows:</b>	
Intangible asset- Non compete agreements	222
Intangible asset- Customer relationship	4,864
Intangible asset- Brand	162
Intangible asset- Customer contracts	329
Data processing equipments	130
Other net current assets	494
<b>Net identifiable assets acquired</b>	<b>6,201</b>
<b>Goodwill**</b>	<b>8,790</b>

\*contingent consideration is payable on achievement of pre-determined financial targets. As at March 31, 2018, management has estimated that these targets will be met and valued the consideration by applying a discount rate of 18%.

\*\*Goodwill is not deductible for income tax purposes.

### 37 Additional information required by Schedule III:

Name of the Entity	Net Asset i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of Consolidated Other OCI	Amount (Rs. In Lakhs)	As % of Total Consolidated TCI	Amount (Rs. In Lakhs)
<b>Parent</b>								
<b>Zensar Technologies Limited</b>								
March 31, 2018	75.1%	125,291	79.7%	19,258	-35.0%	(613)	72.0%	18,645
March 31, 2017	76.7%	112,815	76.7%	18,022	-16.7%	303	84.5%	18,325
<b>Foreign subsidiaries</b>								
<b>1. Zensar Technologies Inc.</b>								
March 31, 2018	24.5%	40,874	14.2%	3,435	11.6%	203	14.0%	3,638
March 31, 2017	25.3%	37,241	18.9%	4,448	48.6%	(880)	16.5%	3,567
<b>2. PSI Holding Group, Inc.</b>								
March 31, 2018	0.2%	364	0.1%	17	-12.8%	(225)	-0.8%	(208)
March 31, 2017	0.2%	346	0.0%	-	0.4%	(7)	0.0%	(7)
<b>3. Zensar Technologies IM, Inc</b>								
March 31, 2018	5.1%	8,533	-3.2%	(784)	2.0%	35	-2.9%	(749)
March 31, 2017	6.3%	9,283	-15.6%	(3,655)	4.0%	(72)	-17.2%	(3,727)
<b>4. Zensar Technologies IM, B.V.</b>								
March 31, 2018	0.9%	1,496	-0.1%	(27)	1.4%	25	0.0%	(2)
March 31, 2017	0.9%	1,315	0.8%	176	6.4%	(116)	0.3%	60
<b>5. Professional Access Limited</b>								
March 31, 2018	1.2%	2,013	0.5%	127	0.6%	11	0.5%	138
March 31, 2017	1.3%	1,874	3.0%	709	3.5%	(64)	3.0%	645

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Name of the Entity	Net Asset i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of Consolidated Other OCI	Amount (Rs. In Lakhs)	As % of Total Consolidated TCI	Amount (Rs. In Lakhs)
<b>6. Zensar Technologies (Singapore) Pte Limited</b>								
March 31, 2018	0.1%	224	-0.8%	(187)	1.1%	20	-0.6%	(167)
March 31, 2017	0.3%	391	-0.2%	(41)	2.1%	(37)	-0.4%	(79)
<b>7. Zensar Technologies (Shanghai) Company Limited</b>								
March 31, 2018	-0.1%	(198)	0.0%	(3)	-1.1%	(19)	-0.1%	(21)
March 31, 2017	-0.1%	(177)	-0.3%	(74)	0.0%	-	-0.3%	(74)
<b>8. Zensar Technologies (UK) Limited</b>								
March 31, 2018	9.3%	15,510	9.9%	2,397	102.8%	1,800	16.2%	4,197
March 31, 2017	7.7%	11,313	17.3%	4,052	83.1%	(1,505)	11.8%	2,547
<b>9. Foolproof Limited</b>								
March 31, 2018	0.5%	845	0.8%	183	-6.3%	(110)	0.3%	73
March 31, 2017	1.1%	1,633	2.1%	500	1.0%	(17)	2.2%	482
<b>10. Knit Ltd</b>								
March 31, 2018	-0.4%	(597)	-0.3%	(82)	13.9%	244	0.6%	162
March 31, 2017	-0.3%	(508)	-0.9%	(208)	-0.4%	7	-0.9%	(201)
<b>11. Flow Interactive Limited (refer note 29 (a))</b>								
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2017	0.0%	(1)	0.0%	-	0.0%	-	0.0%	-
<b>12. Foolproof (SG) Pte Limited</b>								
March 31, 2018	0.0%	58	0.4%	108	0.2%	4	0.4%	112
March 31, 2017	0.0%	(51)	0.3%	67	-0.1%	2	0.3%	70
<b>13. Zensar (Africa) holdings (Pty) Limited</b>								
March 31, 2018	-0.9%	(1,443)	2.7%	651	-7.8%	(136)	2.0%	515
March 31, 2017	-0.5%	(758)	1.0%	239	3.8%	(70)	0.8%	170
<b>14. Zensar (South Africa) (Pty) Limited</b>								
March 31, 2018	2.5%	4,162	8.2%	1,984	26.6%	467	9.5%	2,451
March 31, 2017	1.7%	2,489	6.6%	1,545	0.0%	-	7.1%	1,545
<b>15. Keystone logic Inc.</b>								
March 31, 2018	0.9%	1,463	3.2%	761	0.9%	16	3.0%	777
March 31, 2017	0.0%	-	0.0%	-	0.0%	-	0.0%	-
<b>16. Zensar Information Technologies Limited</b>								
March 31, 2018	0.0%	52	0.0%	(8)	0.0%	-	0.0%	(8)
March 31, 2017	0.0%	-	0.0%	-	0.0%	-	0.0%	-
<b>17. Zensar Software Technologies Limited</b>								
March 31, 2018	0.0%	73	0.0%	(7)	0.0%	-	0.0%	(7)
March 31, 2017	0.0%	-	0.0%	-	0.0%	-	0.0%	-
<b>18. Zensar IT Services Limited</b>								
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-

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Name of the Entity	Net Asset i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of Consolidated Other OCI	Amount (Rs. In Lakhs)	As % of Total Consolidated TCI	Amount (Rs. In Lakhs)
March 31, 2017	0.0%	-	0.0%	-	0.0%	-	0.0%	-
<b>19. Zensar Info Technologies (Singapore) Pte. Limited</b>								
March 31, 2018	0.0%	35	0.0%	(2)	0.0%	-	0.0%	(2)
March 31, 2017	0.0%	-	0.0%	-	0.0%	-	0.0%	-
<b>Adjustments arising out of consolidation</b>								
March 31, 2018	-19.1%	(31,862)	-15.2%	(3,667)	1.7%	29	-14.1%	(3,638)
March 31, 2017	-20.4%	(30,050)	-9.8%	(2,294)	-35.6%	646	-7.6%	(1,648)
<b>Total</b>								
March 31, 2018	100.0%	1,66,890	100.0%	24,153	100.0%	1,751	100.0%	25,904
March 31, 2017	100.0%	1,47,156	100.0%	23,487	100.0%	(1,812)	100.0%	21,675
<b>Non controlling Interest in Foreign Subsidiaries</b>								
<b>Zensar (South Africa) (Pty) Limited</b>								
March 31, 2018	0.8%	1,365	2.0%	499	6.8%	128	2.4%	627
March 31, 2017	0.5%	741	1.5%	350	0.0%	-	1.6%	350

### 38 Share based payments

The Group entered into a share subscription agreement between Zensar (Africa) Holdings Proprietary Limited (Zensar), Clusten 16 Proprietary Limited (SPE) and Zensar (South Africa) Proprietary Limited (the Company) on 18 October 2013, wherein SPE subscribed for 49,001 ordinary shares and 2,01,000 "A" class shares in the issued share capital of the Company ("Subscription Shares"), representing a 25% plus one share holding in the Company. The agreement assigned a total value of ZAR 3,57,50,000 to the subscription shares out of which the SPE paid ZAR 70,00,000 in cash and the balance of ZAR 2,87,50,000 was funded via a notional loan structure, accruing interest at a rate 9% per annum. This was to be reduced by dividends paid by the Company. This agreement grants Zensar a call option on the subscription shares, which can be exercised on the expiry of the lock in period of 7 years. In addition, SPE has the right to put its subscription shares to Zensar subject to the lock in period. The option on the subscription shares gives rise to the recognition of a cash settled share based payment liability.

The Group has accounted for this liability on fair value and the movement of such liability is accounted for in the statement of Profit and Loss.

The Black-Scholes model was used to determine the fair value of the liability and the following were the key inputs to the valuation:

#### Valuation assumptions

The inputs into the option pricing models are as follows:

- Term of the options
- Current / spot price
- Exercise / strike price
- Risk-free rate
- Volatility
- Dividend yield

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

- 39 The Company, through its Board meeting dated 14th March, 2018 approved the transfer of business in certain geographies to its wholly owned subsidiaries by way of a slump sale.  
This said transfer is expected to be consummated by June 2018.
- 40 The Consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by Price Waterhouse, Chartered Accountants, the predecessor auditor.

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For and on behalf of the Board of Directors of  
Zensar Technologies Limited

**H.V. Goenka**  
Chairman  
DIN: 00026726

**Navneet Khandelwal**  
Chief Financial Officer

Place: Mumbai  
Date: April 24, 2018

**Sandeep Kishore**  
Managing Director & CEO  
DIN: 07393680

**Gaurav Tongia**  
Company Secretary

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

**Annexure - 1**  
**(FY 2017-18)**  
**AOC - 1**  
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014**  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
**Part 'A': Subsidiaries**  
(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the subsidiary	Reporting period for the subsidiary concerned	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries	Share capital	Reserves & surplus	Other components of equity	Total assets	Total Liabilities	Investments	Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1 Zensar Technologies Inc, USA	April 2017 -March 2018	USD Closing Rate 65.18	290	39,526	1,058	1,14,125	73,251	59,176	1,47,245	6,834	3,398	3,436	-	100%
2 Professional Access Limited, USA	April 2017 -March 2018	USD Closing Rate 65.18	0	2,016	-3	11,931	9,918	-	26,402	384	257	127	-	100%
3 PSI Holding Group Inc, USA	April 2017 -March 2018	USD Closing Rate 65.18	0	257	2,479	2,755	19	2,372	36	36	19	17	-	100%
4 Zensar Technologies IM Inc, USA (erstwhile Akibia Inc.)	April 2017 -March 2018	USD Closing Rate 65.18	1	7,971	561	32,247	23,714	-	33,804	-1,955	-1,172	-783	-	100%
5 Zensar Technologies IM B.V., Netherlands(erstwhile Akibia B.V.)	April 2017 -March 2018	EUR Closing Rate 80.81	11	1,305	180	13,072	11,576	-	5,097	-27	1	-26	-	100%
6 Zensar Technologies (Shanghai) Co. Ltd, China**	April 2017 -March 2018	CNY Closing Rate 10.38	505	-697	-6	215	413	-	17	-3	0	-3	-	100%
7 Zensar Technologies (Singapore) Pte Ltd.	April 2017 -March 2018	SGD Closing Rate 49.82	78	104	42	304	80	37	407	-187	0	-187	-	100%
8 Zensar (South Africa) Proprietary Limited, South Africa	April 2017 -March 2018	ZAR Closing Rate 5.58	449	3,222	490	15,936	11,775	-	25,207	2,774	790	1,984	-	75%
9 Zensar (Africa) Holdings Proprietary Limited, South Africa	April 2017 -March 2018	ZAR Closing Rate 5.58	61	-1,417	-87	141	1,584	44	838	655	4	651	-	100%
10 Zensar Technologies (UK) Limited, UK	April 2017 -March 2018	GBP Closing Rate 92.28	39	15,030	442	34,385	18,874	9,951	36,556	3,063	666	2,397	-	100%
11 Foolproof Ltd, UK	April 2017 -March 2018	GBP Closing Rate 92.28	1	844	89	4,527	3,593	-	8,697	229	43	186	-	100%
12 Knit Ltd, UK	April 2017 -March 2018	GBP Closing Rate 92.28	1	-597	-72	427	1,095	-	557	-83	-1	-82	-	100%
13 Foolproof (SG) Pte. Ltd, Singapore.	April 2017 -March 2018	SGD Closing Rate 49.82	25	31	1	791	734	-	1,225	109	2	107	-	100%
14 Keystone Logic Inc, USA	April 2017 -March 2018	USD Closing Rate 65.18	33	1,414	16	4,523	3,060	-	14,082	961	200	761	-	100%
15 Zensar Information Technologies Ltd.	Sept. 2017 -March 2018	INR	60	-8	-	55	3	-	-	-8	-	-8	-	100%

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the subsidiary	Reporting period for the subsidiary concerned	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries	Share capital	Reserves & surplus	Other components of equity	Total assets	Total Liabilities	Investments	Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
16 Zensar Software Technologies Ltd.	Sept. 2017 -March 2018	INR	80	-7	-	77	4	-	-	-7	-	-7	-	100%
17 Zensar Info Technologies (Singapore) Pte Ltd	Sept. 2017 -March 2018	SGD Closing Rate 49.82	37	-2	-0	47	12	-	-	-2	-	-2	-	100%
18 Zensar IT Services Ltd.	Jan 2018 -March 2018	INR	-	-	-	-	-	-	-	-	-	-	-	100%

\*\* Zensar Technologies (Shanghai) Co. Ltd., China local reporting period is from 1st January 2017 to 31st December 2017. However it has been consolidated from 1st April 2017 to 31st March 2018.

## Notes :

- Names of subsidiaries which are yet to commence operations  
Zensar Info Technologies (Singapore) Pte Ltd  
Zensar Information Technologies Ltd.  
Zensar Software Technologies Ltd.  
Zensar IT Services Ltd.  
Flow Interactive Ltd. UK liquidated from 07th November, 2017.
- Name of subsidiaries which have been liquidated or sold during the year
- Aquila Tech Corp (Aquila) has not been included in the above statement (Refer Note No. 29e)

Part "B": Associates and Joint Ventures is not applicable to the Company as the Company does not have any Associate Companies and Joint Ventures (FY 2016-17)

## AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the subsidiary	Reporting period for the subsidiary concerned	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries	Share capital	Reserves & surplus	Other components of equity	Total assets	Total Liabilities	Investments	Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1 Zensar Technologies Inc, USA	April 2016- March 2017	USD Closing Rate 64.85	290	36,096	860	1,01,655	64,415	55,022	1,40,224	7,475	3,027	4,448	-	100%
2 Professional Access Limited, USA	April 2016- March 2017	USD Closing Rate 64.85	0	1,889	-15	12,064	10,190	-	36,731	1,189	480	709	-	100%
3 PSI Holding Group Inc, USA	April 2016- March 2017	USD Closing Rate 64.85	0	14	332	403	57	-	-	-	-	-	-	100%
4 Zensar Technologies IM Inc, USA (erstwhile Akibia Inc.)	April 2016- March 2017	USD Closing Rate 64.85	-	8,756	527	23,816	14,533	-	42,914	-5,382	-1,727	-3,655	-	100%

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2018

(All amounts in INR Lakhs, unless otherwise stated)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the subsidiary	Reporting period for the subsidiary concerned	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries	Share capital	Reserves & surplus	Other components of equity	Total assets	Total Liabilities	Investments	Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
5	Zensar Technologies IM BV, Netherlands(erstwhile Akibia B. V.)	April 2016-March 2017 EUR Closing Rate 69.29	-	1,286	29	12,726	11,411	-	6,308	350	173	176	-	100%
6	Zensar Technologies (Shanghai) Co. Ltd, China **	April 2016-March 2017 CNY Closing Rate 9.42	505	-695	13	228	405	-	17	-74	-	-74	-	100%
7	Zensar Technologies (Singapore) Pte Ltd.	April 2016-March 2017 SGD Closing Rate 46.41	78	291	21	561	171	-	904	-29	-10	-19	-	100%
8	Zensar (South Africa) Proprietary Limited, South Africa	April 2016-March 2017 ZAR Closing Rate 4.85	449	2,064	-24	11,235	8,746	-	18,254	1,960	557	1,403	-	75%
9	Zensar (Africa) Holdings Proprietary Limited, South Africa	April 2016-March 2017 ZAR Closing Rate 4.85	61	-916	97	455	1,213	44	-	239	-	239	-	100%
10	Zensar Technologies (UK) Limited, UK	April 2016-March 2017 GBP Closing Rate 80.90	39	12,633	-1,358	21,972	10,659	6,246	31,962	5,012	960	4,052	-	100%
11	Foolproof Ltd. UK	November 2016-March 2017 GBP Closing Rate 80.90	1	658	-17	2,749	2,107	-	3,910	-390	102	-492	-	100%
12	Knit Ltd. UK	November 2016-March 2017 GBP Closing Rate 80.90	1	-516	7	230	739	-	214	-186	22	-208	-	100%
13	Flow Interactive Ltd. UK	November 2016-March 2017 GBP Closing Rate 80.90	0	-1	-	0	1	-	-	-	-	-	-	100%
14	Foolproof (SG) Pte. Ltd, Singapore.	November 2016-March 2017 SGD Closing Rate 49.82	25	-76	-	323	374	-	332	67	-0	67	-	100%

\*\* Zensar Technologies (Shanghai) Co. Ltd, China local reporting period is from 1st January 2017 to 31st December 2017. However it has been consolidated from 1st April 2017 to 31st March 2018.

## Notes:

Aquila Tech Corp (Aquila) has not been included in the above statement (Refer Note No. 29e)

Part "B": Associates and Joint Ventures is not applicable to the Company as the Company does not have any Associate Companies and Joint Ventures









## ZENSAR TECHNOLOGIES LIMITED

CIN L72200PN1963PLC012621

Regd. Off.: Zensar Knowledge Park, Plot # 4, MIDC, Kharadi, Off Nagar Road, Pune - 411 014

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE 55<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF ZENSAR TECHNOLOGIES LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT ZENSAR KNOWLEDGE PARK, PLOT # 4, MIDC, KHARADI, OFF NAGAR ROAD, PUNE 411014 ON WEDNESDAY, 8<sup>TH</sup> DAY, OF AUGUST, 2018 AT 12.00 NOON TO TRANSACT THE FOLLOWING BUSINESS:

#### **ORDINARY BUSINESS:**

##### **Item No. 1 – Adoption of Accounts.**

To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the Auditors' Report thereon and the Report of the Directors along with the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the Auditors' Report thereon.

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, the stand alone and consolidated Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018 together with the Auditors' Report thereon and the Report of the Directors', be and are hereby received, considered, approved and adopted.

**FURTHER RESOLVED THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this Resolution.”.

##### **Item No. 2 – Declaration of Dividend.**

To confirm payment of Interim Dividend and to declare a final Dividend on Equity Share Capital of the Company for the financial year ended 31<sup>st</sup> March, 2018.

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, the Interim Dividend paid during the year at the rate of Rs. 5.00 (Rupees Five only) Per Equity Share be and is hereby confirmed and a Final Dividend for financial year 2017-18 at the rate of Rs. 7.00 (Rupees Seven only) per equity share be paid to the Members of the Company whose names appear in the Register of Members/Beneficiary position list provided by the Depositories, as per the book closure fixed for the purpose, subject to the necessary approvals as may be required.

**FURTHER RESOLVED THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this Resolution.”.

##### **Item No. 3 – Re - appointment of Mr. H. V. Goenka (DIN: 00026726)**

To appoint a Director in place of Mr. H. V. Goenka, who retires by rotation, and being eligible, offers himself for re-appointment. Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to provisions of Section 152 and other applicable provisions of the Companies Act 2013 and other rules and regulations, as may be applicable, the approval of the Members of the Company be and is hereby accorded to the reappointment of Mr. Harsh Vardhan Goenka (DIN00026726) as a Non-Executive Director liable to retire by rotation.

**FURTHER RESOLVED THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this Resolution.”.

#### **Item No. 4 – Ratification of Appointment of Auditors.**

To ratify appointment of M/s. Deloitte Haskins and Sells LLP as Statutory Auditors, Chartered Accountants, having ICAI Firm Registration No. 117366W/W-100018, as the Auditors of the Company, and fix their remuneration.

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder as amended from time to time and other applicable regulations, and pursuant to the recommendation of the Audit Committee and the Board of Directors, and the resolution passed by the Members of the Company at their meeting held on July 19 2017, appointment of M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, 706, B Wing, ICC Trade Tower, Senapati Bapat Road, Pune – 411016 (INDIA), having ICAI Firm Registration No. 117366W/W-100018 as Statutory Auditors of the Company, for a period of 5 financial years i.e. upto conclusion of 59<sup>th</sup> Annual General Meeting of the Company, be and is hereby ratified and Board/Audit Committee is authorized to fix their remuneration.

**FURTHER RESOLVED THAT**, the Board of Directors of the Company (including Audit Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this Resolution.”.

#### **SPECIAL BUSINESS:**

##### **Item No. 5 – Appointment of Mr. Ketan Dalal (DIN: 00003236) as a Non-Executive Independent Director, not liable to retire by rotation.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Ketan Arvind Dalal (DIN: 00003236) who was appointed as an Additional as well as Non-Executive Independent Director of the Company, by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, to hold office for a period of five years from 3<sup>rd</sup> November, 2017 till 2<sup>nd</sup> November, 2022, and in respect of whom, the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office till 2<sup>nd</sup> November, 2022.

**FURTHER RESOLVED THAT**, the any of the Directors of the Company, Mr. Navneet Khandelwal, Chief Financial Officer, and Mr. Gaurav Tongia, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things including but not limited to filing of necessary e-forms with the Registrar of Companies, to give effect to the above resolution.”

##### **Item No. 6 – Appointment of Mr. Ben Druskin (DIN: 07935711) as Non-Executive Independent Director, not liable to retire by rotation.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act and Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Ben Edward Druskin (DIN: 07935711) who was appointed as an Additional as well as Non-Executive Independent Director of the Company by the Board of Directors on the recommendation of the Nomination and Remuneration Committee to hold office for a period of five years from 3<sup>rd</sup> November, 2017 till 2<sup>nd</sup> November, 2022, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act, from a Member proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office till 2<sup>nd</sup> November, 2022.

**FURTHER RESOLVED THAT**, the any of the Directors of the Company, Mr. Navneet Khandelwal, Chief Financial Officer, and Mr. Gaurav Tongia, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things including but not limited to filing of necessary e-forms with the Registrar of Companies, to give effect to the above resolution.”

**Item No. 7 – Appointment of Ms. Tanuja Randery (DIN: 08014909) as Non-Executive Independent Director not liable to retire by rotation.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Tanuja Randery (DIN: 08014909) who was appointed as an Additional as well as Non-Executive Independent Director of the Company by the Board of Directors on the recommendation of the Nomination and Remuneration Committee to hold office for a period of five years from 18<sup>th</sup> January, 2018 till 17<sup>th</sup> January, 2023, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act, from a Member proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office till 17<sup>th</sup> January, 2023.

**FURTHER RESOLVED THAT**, the any of the Directors of the Company, Mr. Navneet Khandelwal, Chief Financial Officer, and Mr. Gaurav Tongia, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things including but not limited to filing of necessary e-forms with the Registrar of Companies, to give effect to the above resolution.”

**Item No. 8 – Appointment of Mr. Harsh Mariwala (DIN: 00210342) as a Non-Executive Independent Director, not liable to retire by rotation.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Harsh Charandas Mariwala (DIN: 00210342) who was appointed as an Additional as well as Non-Executive Independent Director of the Company by the Board of Directors on the recommendation of the Nomination and Remuneration Committee to hold office for a period of five years from 18<sup>th</sup> January, 2018 till 17<sup>th</sup> January, 2023, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act, from a Member proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, to hold office till 17<sup>th</sup> January, 2023.

**FURTHER RESOLVED THAT**, the any of the Directors of the Company, Mr. Navneet Khandelwal, Chief Financial Officer, and Mr. Gaurav Tongia, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things including but not limited to filing of necessary e-forms with the Registrar of Companies, to give effect to the above resolution.”

## Item No. 9 – Approval for sub-division of shares.

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Section 61 (1) (d) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) other applicable rules and regulations, and the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary, from the concerned authorities or bodies, approval of the Members be and is hereby accorded for sub division of each of the Equity Share having a face value of Rs. 10/- each in the Authorized Equity Share Capital of the Company into 5 (Five) Equity Shares having a face value of Rs. 2/- each, on such date(s) as may be fixed by the Board of Directors (hereinafter referred to as the Board which expression shall be deemed to include a Committee of Directors) for this purpose (Record Date).

**FURTHER RESOLVED THAT**, upon the sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect, on and from the Record Date or such other date as may be determined by the Board including any committee thereof, and the Company may without requiring the surrender of the existing Share Certificate(s), directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing issued Share Certificate(s) and in the case of the Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Members with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company, before sub-division.

**FURTHER RESOLVED THAT**, pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board, consent of the Members be and is hereby accorded to make appropriate adjustments due to sub-division of shares, *inter-alia*, to the options which are available for grant and those already granted but not exercised ('outstanding options') by the employees of the Company under the following plan(s):

1. Employee Stock Options Plan, 2002 (ESOP 2002)
2. Employee Stock Options Plan, 2006 (ESOP 2006)
3. Employee Performance Award Unit Plan, 2016 (EPAP 2016)

administered by the Company pursuant, *inter-alia*, to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and/or Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any amendments thereto from time to time, such that the exercise price for all outstanding options and the number of outstanding options as on 'record date', shall be appropriately/proportionately adjusted.

**FURTHER RESOLVED THAT**, pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board, consent of the Members be and is hereby accorded to make appropriate adjustments due to sub-division of shares to the outstanding options which are available for grant and those already granted but not exercised (outstanding options) by the employees of the Subsidiaries of the Company under the following plan(s):

1. Employee Stock Options Plan, 2002 (ESOP 2002)
2. Employee Stock Options Plan, 2006 (ESOP 2006)
3. Employee Performance Award Unit Plan, 2016 (EPAP 2016)

administered by the Company pursuant, *inter-alia*, to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and/or Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any amendments thereto from time to time, such that the exercise price for all outstanding options as on the Record Date shall be proportionately adjusted and the number of outstanding options as on 'record date' shall be appropriately adjusted..

**FURTHER RESOLVED THAT**, the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein-above as it may in absolute discretion deem fit, to one or more of the constituted Committee(s) of Directors or to any of the Director(s), Officers(s), Authorized Representative(s), in order to give effect to the aforesaid resolution, including but not limited to fix record date and to do such other acts, deeds and things as

may be required for completion and implementation of sub-division of the Equity Shares of the Company, and matters incidental and ancillary thereto.

**FURTHER RESOLVED THAT**, for the purpose of giving effect to this resolution, the Board of Directors including any Committee thereof, be and is hereby authorized to accept and make any alterations, modifications to the terms and conditions as it may deem necessary, concerning any aspect of the sub-division of Equity Shares, amendment to aforesaid ESOP/EPAP plan(s), and related matters, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation / consequential to the Sub-division of shares, amendment to aforesaid plan(s) and related matters, including execution & filing of all the relevant documents with the Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**Item No. 10 – Alteration of the capital clause of the Memorandum of Association.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Clause V(a) of the Memorandum of Association of the Company be and is hereby amended and substituted by the following:

*V(a). The authorized Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 23,75,00,000 (Twenty-Three Crores Seventy-Five Lacs) Equity shares of Rs. 2/- (Rupees Two) each and 2,50,000 (Two Lacs Fifty Thousand) Preference Shares of Rs. 100/- each.*

**FURTHER RESOLVED THAT**, the Board of Directors (hereinafter referred to as the Board which expression shall be deemed to include a Committee of Directors), be and is hereby authorized to do all such acts, deeds, things, matters as may be necessary for executing all such documents, instruments and writings as may be required in this connection and to do all such deeds, things, acts as may be necessary to give effect to this resolution and delegate all or any of its powers to herein conferred to any of the Committee of Directors constituted for this purpose or to any of the Director(s), Officers(s), Authorized Representative(s).”

**Item No. 11 – Approval for amendments in Employee Performance Award Unit Plan, 2016 for options granted/to be granted to the employees of the Company.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT**, pursuant to Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required, and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to, by the Board of Directors (hereinafter referred to as ‘the Board’ which expression shall be deemed to include any Committee thereof), consent of the Members be and is hereby accorded for substitution of existing Clause 7 (a) of Employee Performance Award Unit Plan, 2016 (EPAP 2016) by the following Clause 7 (a):

*‘Clause 7 (a): The Exercise Price shall be equal to the Face Value of shares i.e. Rs. 2/- per equity share eligible on the basis of PAUs Vested or any other price as decided by the Nomination and Remuneration Committee.*

*Payment of the Exercise Price or any amount under EPAP, 2016, if any, shall be made by a crossed cheque or a demand draft or an electronic transfer in favor of the Company, or in any such other manner as the Nomination and Remuneration Committee may decide.’*

**FURTHER RESOLVED THAT**, EPAP 2016 be suitably amended to give effect to the sub-division of face value of equity shares of the Company from Rs.10/- per share to Rs. 2/- per share and all the requisite changes,

amendments, alterations, adjustments, etc. be accordingly carried out in EPAP 2016, so as to continue extending benefits thereunder to the employees of the Company.

**FURTHER RESOLVED THAT**, for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alterations, modifications to the terms and conditions as it may deem necessary, concerning amendment to aforesaid plan(s) and related matters, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation / consequential to the amendment to aforesaid plan(s) and related matters, including execution & filing of all the relevant documents with the Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”

**Item No. 12 – Approval for amendments in Employee Performance Award Unit Plan, 2016 for options granted/to be granted to the employees of the subsidiary(ies) of the Company.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT**, pursuant to Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required, and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors (hereinafter referred to as ‘the Board’ which expression shall be deemed to include any Committee thereof), consent of the Members be and is hereby accorded for substitution of existing Clause 7 (a) of Employee Performance Award Unit Plan, 2016 (EPAP 2016) by the following Clause 7 (a):

*‘Clause 7 (a): The Exercise Price shall be equal to the Face Value of shares i.e. Rs. 2/- per equity share eligible on the basis of PAUs Vested or any other price as decided by the Nomination and Remuneration Committee.*

*Payment of the Exercise Price or any amount under EPAP 2016, if any, shall be made by a crossed cheque or a demand draft or an electronic transfer in favor of the Company, or in any such other manner as the Nomination and Remuneration Committee may decide.’*

**FURTHER RESOLVED THAT**, EPAP 2016 be suitably amended to give effect to the sub-division of face value of equity shares of the Company from Rs. 10/- per share to Rs. 2/- per share and all the requisite changes, amendments, alterations, adjustments etc. be accordingly carried out in EPAP 2016, so as to continue extending / grant benefits thereunder to the employees of subsidiaries of the Company, both present and future.

**FURTHER RESOLVED THAT**, for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alterations, modifications to the terms and conditions as it may deem necessary, concerning amendment to aforesaid plan(s) and related matters, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation / consequential to the amendment to aforesaid plan(s) and related matters, including execution and filing of all the relevant documents with the Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable Rules and Regulations, without seeking any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

**Item No. 13 – Approval for payment of Commission to Non-Executive Directors.**

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT**, in super-session to the earlier resolution passed in this behalf at the annual general meeting held on 14<sup>th</sup> July, 2015 and pursuant to the provisions of Section 197, and other applicable provisions, if any, of

the Companies Act, 2013 (Act) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and such other Rules and Regulations as may be applicable, a sum not exceeding three percent per annum of the net profits of the Company calculated, *inter-alia*, in accordance with the provisions of Section 198 of the Act, be paid to and distributed as Commission, amongst the present and future Non-executive Directors of the Company or some or any of them (other than the Managing Director and Whole-time Director(s) in such amounts or proportions and in such manner and in such respect as may be directed by the Board of Directors (hereinafter referred to as the Board which expression shall be deemed to include a Committee of Directors) and such payments shall be made in respect of the profits of the Company for each financial year, commencing from 1<sup>st</sup> April, 2018.

**FURTHER RESOLVED THAT**, the Board be and is hereby authorized to do all such acts, deeds, things, matters as may be necessary for executing all such documents, instruments and writings as may be required in this connection to give effect to this resolution without seeking any further consent or approval of the Members or otherwise, to the end and intent that it shall be deemed to have given its approval thereto expressly by the authority of this resolution and delegate all or any of its powers to herein conferred to any of the Committee of Directors constituted for this purpose or to any of the Director(s), Officers(s), Authorized Representative(s).”

Mumbai, 24<sup>th</sup> April, 2018

By Order of the Board of Directors

Sd/-

**Gaurav Tongia**  
Company Secretary

Registered Office:  
Zensar Knowledge Park,  
Plot # 4, MIDC, Kharadi,  
Off Nagar Road, Pune - 411 014  
CIN: L72200PN1963PLC012621

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT DULY COMPLETED APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as a proxy on behalf of not exceeding 50 (fifty) members and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. During the business hours of the Company, proxies are open for inspection for the period beginning 24 (twenty-four) hours before the commencement of the Meeting and ending with the conclusion of the meeting, provided that an advance notice of not less than three days is given to the Company.
2. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) HAS THROUGH A CIRCULAR DIRECTED ALL THE COMPANIES TO PAY DIVIDEND THROUGH ELECTRONIC MODE. ACCORDINGLY, ALL THE MEMBERS HOLDING SHARES IN DEMATERIALIZED FORM ARE REQUESTED TO KINDLY UPDATE THEIR BANK ACCOUNT DETAILS WITH THEIR RESPECTIVE DEPOSITORY PARTICIPANTS (DP). MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO KINDLY INFORM THEIR BANK ACCOUNT DETAILS TO THE COMPANY AND/OR THE REGISTRAR AND SHARE TRANSFER AGENTS VIZ. BIGSHARE SERVICES PRIVATE LIMITED.
3. Only registered Members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting. Corporate Members intending to send their representatives are requested to send a certified true copy of the Resolution authorizing the representative to attend and vote at the Annual General Meeting.
4. In terms of the provisions of the Companies Act, 2013 and Rules made thereunder and Articles of Association of the Company, Mr. H. V. Goenka retires by rotation and being eligible offers himself for re-appointment. A brief resume of Mr. H. V. Goenka along with the nature of his expertise are given herewith and forms part of the notice convening the Annual General Meeting.

5. Members are requested to notify any change in their addresses specifying full address in block letters with PIN code to the Company's Registrar and Share Transfer Agents at the following address:  
  
Bigshare Services Private Limited  
Bharat Tin Works Building, 1st Floor,  
Opp. Vasant Oasis, Next to Keys Hotel,  
Marol Maroshi Road, Andheri – East,  
Mumbai – 400059 Maharashtra India
6. Members are requested to bring their copy of the Annual Report with them to the Meeting.
7. Members desiring any information with regard to Accounts/Reports are requested to write to the Company Secretary at least ten days before the Meeting so as to enable the Management to keep the information ready.
8. The Company's Register of Members and Share Transfer Book shall remain closed for the purpose of determining eligibility of the Members entitled to receive the dividend, from 1<sup>st</sup> August, 2018 to 8<sup>th</sup> August, 2018 (both days inclusive).
9. Pursuant to the provisions of the Section 205A of the Companies Act, 1956, read with Companies Act, 2013 and relevant Rules, the Company has accordingly transferred unpaid Dividend remaining unpaid for seven years to Investors Education and Protection Fund (IEPF). The Members who have not encashed their dividend warrants for the subsequent years are requested to send their Dividend Warrants for revalidation to the Company or its Registrar and Share Transfer Agents.
10. Investors may address their queries/communication to [investor@zensar.com](mailto:investor@zensar.com) and/or [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
11. The Annual Report 2017-18 is being sent through electronic mode only to the Members whose e mail addresses are available with the Company/Depository Participant (s) unless any member has requested for physical copy of the Report. For Members who have not registered their e-mail addresses, physical copies of the Annual Report 2017-18 are being sent by permitted mode.
12. To support the Green initiatives taken by Ministry of Corporate Affairs, Members are requested to register their e-mail address with Depository Participant(s) /Company so that all communication / documents can be sent in electronic mode.
13. The voting for the agenda item shall be done by casting of votes by using Remote e-voting that is an electronic voting system from a place other than the venue of the Meeting (e-voting) and by Poll at the Meeting. Those who have exercised the option of e-voting shall be entitled to attend and participate in the Meeting but would not be entitled to vote at the Poll to be conducted at the venue of the AGM on the day of meeting.
14. Mr. Sridhar Mudliar, Partner, SVD & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process and Poll in a fair and transparent manner.
15. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company and/or authorized person of the Company who shall declare the results forthwith.
16. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.zensar.com](http://www.zensar.com) and on the Central Depository Services Limited (CDSL) at website [www.evotingindia.com](http://www.evotingindia.com) and communicated to the Stock Exchanges immediately after declaration.
17. The information and instructions relating to e-voting are as below:
  - (i) The voting period begins on 5<sup>th</sup> August, 2018 and ends on 7<sup>th</sup> August, 2018. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1<sup>st</sup> August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Members.
- (iv) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Enter the Image Verification as displayed and click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first-time user, follow the steps given below:

<b>For Members holding shares in demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>• Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members)</li> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</li> <li>• If both the details are not recorded with the Depository Participants or Company, please enter the DP ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “CLICK HERE TO PRINT” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password, then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – individual Members and Custodians**
- Non-individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case of members receiving the physical copy, please follow all steps from Sl. No. (i) to Sl. No. (xix) above to cast vote.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Items 5 to 8: Appointment of Mr. Ketan Dalal, Mr. Ben Druskin, Ms. Tanuja Randery and Mr. Harsh Mariwala as Independent Directors**

Mr. Ketan Dalal and Mr. Ben Druskin were appointed as Additional as well as Non-Executive Independent Director(s) of the Company by the Board of Directors on the recommendation of the Nomination and Remuneration Committee to hold office for a period of five years from 3<sup>rd</sup> November 2017 till 2<sup>nd</sup> November, 2022, subject to approval of the Members of the Company.

Further Ms. Tanuja Randery and Mr. Harsh Mariwala were appointed as Additional as well as Independent Director(s) of the Company by the Board of Directors on the recommendation of the Nomination and Remuneration Committee to hold office for a period of five years from 18<sup>th</sup> January 2018 till 17<sup>th</sup> January, 2023, subject to approval of the Members of the Company.

In view of the above, it is proposed to appoint Mr. Ketan Dalal, Mr. Ben Druskin, Ms. Tanuja Randery and Mr. Harsh Mariwala as Independent Director(s) (hereinafter collectively referred to as “Proposed Directors”) under Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s)

or re-enactments thereof for the time being in force) not liable to retire by rotation, and to hold office upto the respective dates as mentioned herein.

The Company has received from Proposed Director(s) (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming their eligibility for such appointment, and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and other related documents.

Accordingly, in the opinion of the Board, Proposed Directors fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management. It is believed that these appointments will enrich the Board of the Company as the proposed appointees bring in lot of industry insights, domain knowledge, extensive experience including expertise to build and/or scale up new businesses.

A brief resume of Proposed Directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships, Memberships of the Board's Committees, shareholding in the Company and relationships between directors *inter-se* as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given herein under and forms part of the Notice.

Draft letter(s) for respective appointments of Proposed Directors as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office / website of the Company.

Accordingly, the Board recommends the Ordinary Resolutions set out at Item Nos. 5 to 8 of the Notice for approval by the Members of the Company.

Proposed Directors and / or their relatives are / may be deemed to be interested in the resolutions set out at Item Nos. 5 to 8 of the Notice, with regard to their respective appointments. Save and except the foregoing, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolutions as set out respectively at Item Nos. 5 to 8 of the Notice.

#### **Item 9: Approval for sub division of shares**

The operations of the Company have grown significantly during last few years which has generated considerable interest in the Company's Equity Shares in the Stock Market. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at its meeting held on 24<sup>th</sup> April, 2018, considered it desirable to recommend sub-division of its Equity Shares of Rs. 10/- each into five Equity Shares of Rs. 2/- each, for approval of the Members.

The sub-division of par value of the shares would also require, *inter-alia*, appropriate adjustments with respect to all options under different Employee Stock Option Plans viz.

1. Employee Stock Options Plan, 2002 (ESOP 2002)
2. Employee Stock Options Plan, 2006 (ESOP 2006)
3. Employee Performance Award Unit Plan, 2016 (EPAP 2016)

such that all the options outstanding on a Record Date to be determined by the Board of Directors of the Company, both vested and unvested including lapsed and forfeited options available for reissue, shall be proportionately adjusted.

Accordingly, the Board recommends the resolution as set out in Item No.9 as of the accompanying Notice for the approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, in the resolutions as set out respectively at Item No. 9 of the Notice, except to the extent of their shareholding in the Company and/or the Options granted/ which may be granted in future, under the above Employee Stock Option Plans, if any.

#### **Item 10: Alteration of the capital clause of the Memorandum of Association.**

The proposed sub-division of the Face Value of the Equity Shares of the Company of Rs. 10/- each into denomination of Rs. 2/- each fully paid up requires amendment to the Memorandum of Association of the Company. Accordingly, Clause V(a) of the Memorandum of Association is proposed to be amended as set out in Item No. 10, in the accompanying Notice for reflecting the corresponding changes in the Authorized Share Capital of the Company.

A copy of the Memorandum of Association of the Company along with the proposed amendments shall be kept open for inspection at the Registered Office of the Company during 11.00 AM to 1.00 PM on all working days upto the date of declaration of the results of the E-voting / Venue Voting / Poll at AGM.

Accordingly, the Board recommends the resolution as set out in Item No.10 as of the accompanying notice for the approval of the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, in the resolutions as set out respectively at Item No. 10 of the Notice except to the extent of their shareholding in the Company, if any.

#### **Item No. 11 and 12 – Approval for amendments in Employee Performance Award Unit Plan, 2016.**

Employee Performance Award Unit Plan, 2016 (EPAP 2016) of the Company has fixed Exercise Price of Performance Award Units under the Plan as Rs. 10/- each being the face value of the equity shares. The proposed sub-division of the Face Value of the Equity Shares of the Company of Rs. 10/- each, into denomination of Rs. 2/- each fully paid up would require suitable amendment(s) to EPAP 2016. With an objective to keep the Exercise Price aligned to the face value of the equity shares and consequent matters, it is proposed to change the Exercise Price from Rs. 10/- per Performance Award Unit, to Rs. 2/- by, *inter-alia*, amending Clause 7 (a) of EPAP 2016 as stated in the resolution. Further, it is proposed to give the benefit of this changed Exercise Price/ Clause 7(a) to the employees of present and future Subsidiaries of the Company as well, by carrying out suitable adjustments to the Exercise Price and/or number of units.

Accordingly, the Board recommends the resolutions as set out in Item No.11 and 12 as of the accompanying Notice for the approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions as set out respectively at Item No. 11 and 12 of the Notice, except to the extent of their shareholding in the Company and/or the Options granted / which may be granted in future, under the above Employee Stock Option Plans, if any.

#### **Item No. 13 – Approval for payment of Commission to Non-Executive Directors**

Presently, the Company has a blend of proficient executive and non-executive Directors on its Board, each of whom adds value and brings diverse view in the decision-making process. The Board is comprised of eleven Directors, one of which is an Executive Director and ten are Non-Executive Directors. The Members of the Company at Annual General Meeting held on 14<sup>th</sup> July, 2015 had approved payment of commission to Non-Executive Directors not exceeding 1% of the net profit of the Company, for the respective years. In terms of changing regulatory environment, increasing complexities of the business, resultant responsibility and accountability on Non-Executive Directors, it is proposed to seek Members' enabling approval to increase percentage of remuneration payable to Non-Executive Directors from existing 1% to 3% of the Net Profit of the Company for respective financial year(s), calculated in accordance with applicable sections of Companies Act, 2013 and allied Rules with effect from Financial Year 1<sup>st</sup> April, 2018. Sitting fees paid to the directors for attending meetings of Board / Committees, is not reckoned for this purpose.

Nomination and Remuneration Committee shall every year, recommend for approval to the Board the quantum of the commission payable to each of the Non-Executive Director(s) from time to time considering their role and responsibility.

Accordingly, the Board recommends the resolution as set out in Item No.13 as of the accompanying Notice for the approval of the Members of the Company.

All the present and future Non-Executive Directors of the Company who will be receiving the Commission may be deemed as concerned or interested in this resolution, to the extent of the Commission that may be payable to them from time to time. Save and except the foregoing, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolutions as set out respectively at Item No. 13 of the Notice.

Mumbai, 24<sup>th</sup> April, 2018

By Order of the Board of Directors

Sd/-  
**Gaurav Tongia**  
Company Secretary

Registered Office:  
Zensar Knowledge Park,  
Plot # 4, MIDC, Kharadi,  
Off Nagar Road, Pune - 411 014  
CIN: L72200PN1963PLC012621

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

#### 1. Mr. H. V. Goenka

**Education:** Graduate in Economics, University of Calcutta; MBA, IMD (Switzerland)

Mr. H. V. Goenka is a Chairman of RPG Enterprises, one of the largest industrial groups in India, active in key business segments like tyres, infrastructure, information technology and other diversified segments having an annual turnover of over US \$ 3.5 billion. Born in December 1957, Mr. Goenka is a graduate in Economics and MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and is now on the Foundation Board of IMD, Lausanne. Mr. Goenka, a past President of the Indian Merchants' Chamber, in India, is also a member of the Executive Committee of FICCI and the Chairman of Breach Candy Hospital Trust.

He has been the Chairman of the Board of the Company since 2001.

Following are details of his Directorships / other Associations:

Directorships / other Associations			
1.	CEAT Limited	22.	Chattarpati Apartments LLP
2.	Bajaj Electricals Limited	23.	Central Expressways Construction LLP
3.	Raychem-RPG Private Limited	24.	Amber Apartments LLP
4.	R P G Enterprises Limited	25.	RPG Farms LLP
5.	Spencer International Hotels Limited	26.	Stellar Energy Trust
6.	Breach Candy Hospital Trust	27.	Prism Estates Trust
7.	RPG Life Sciences Limited	28.	RPG Art Foundation
8.	KEC International Limited	29.	RPG Foundation
9.	Sri Parvathi Suthan Trading Company LLP	30.	Nucleus Life Trust
10.	Allwin Apartments LLP	31.	Monitor Portfolio Trust
11.	Vayu Udaan Aircraft LLP	32.	RPG Academy of Art & Culture
12.	Ektara Enterprises LLP	33.	Deepa Trust
13.	SS Tarama Clean Energy LLP	34.	Mala Trust
14.	Wonder Land LLP	35.	Pushpa Trust
15.	RPG Landscapes LLP	36.	Crystal India Tech Trust
16.	Malabar Coastal Holdings LLP	37.	Secura India Trust
17.	Swallow Associates LLP	38.	AVG Family Trust
18.	B N Elias & Co. LLP	39.	RG Family Trust

19.	Atlantus Dwellings and Infrastructure LLP	40.	AVG Art and Assets Trust
20.	Palacino Properties LLP	41.	VP Art and Assets Trust
21.	RPG Properties LLP	42.	MG Assets Trust

Chairmanship(s) and Membership (s) of Committees		
Name of the Company	Name of the Committee	Designation
CEAT Limited	Special Project/ Investment Committee	Chairman

## 2. Mr. Ketan Dalal

**Education:** Fellow Member of the Institute of Chartered Accountants of India

Mr. Ketan Dalal is a Fellow Member of the Institute of Chartered Accountants of India, having qualified in 1981. He has extensive experience on cross border tax issues and investment structuring, including Mergers and Acquisitions.

He was the Tax Leader and the Managing Partner (West) and a member of the India Leadership Team with PwC. He exited PwC with effect from 1<sup>st</sup> April, 2017 to pursue his independent professional interests and runs a Boutique Structuring and Tax firm, Katalyst Advisors LLP.

He is a Director in HDFC Standard Life Insurance Company Limited, a joint venture between HDFC Bank and Standard Life Plc. He is a member of the Managing Committee and the Chairman of the Direct Tax Committee of IMC. He has been a member of several SEBI committees including SEBI's High Powered Advisory Committee (HPAC) on consent orders and compounding.

International Tax Review, a leading global magazine on international tax has listed him among India's leading tax advisors.

Following are details of his Directorships / other Associations and Chairmanship(s) and Membership (s) of Committees:

Directorships / other Associations			
1.	Jamish Investment Private Limited	4.	Katalyst Advisors LLP
2.	The Indo German Chamber of Commerce	5.	Birla Estates Private Limited
3.	HDFC Standard Life Insurance Company Limited	6.	Jio Payments Bank Limited

Chairmanship(s) and Membership (s) of Committees		
Name of the Company	Name of the Committee	Designation
HDFC Standard Life Insurance Company Limited	Risk Management Committee	Member
HDFC Standard Life Insurance Company Limited	Audit Committee	Member
Zensar Technologies Limited	Audit Committee	Member
Jio Payments Bank Limited	Audit & Compliance Committee	Member
Jio Payments Bank Limited	Risk Management Committee	Member
Jio Payments Bank Limited	Nomination & Remuneration Committee	Member

## 3. Mr. Ben Druskin

**Education:** M.B.A., Stern School of Business at New York University; a B.A. from Rutgers College.

Mr. Ben Druskin retired from Citigroup. Prior to retiring, his title was Managing Director and Chairman of Global TMT Banking. He previously was Co-Head Global TMT Banking and prior to that he ran the Global Services and East Coast Technology Investment Banking Groups. He founded the Global Services Group in 1997.

Mr. Druskin joined Citigroup in 1993 and had been a member of the Technology Banking Group since 1996. He has completed and led hundreds of Equity, M&A and Fixed Income transactions since joining Citigroup.

He has deep senior-level relationships with most major TMT companies around the world.

He received an M.B.A. from the Stern School of Business at New York University and a B.A. from Rutgers College. Prior to business school, he worked in the Financial Management Development Program at American Express.

Following are the details of his Directorships / other Associations and Chairmanship(s) and Membership (s) of Committees:

Directorships / other Associations			
1.	Endava Ltd	3.	Rainetree Capital LLC
2.	Physicians World LLC	4.	Atlas Certified LLC

Chairmanship(s) and Membership (s) of Committees		
Name of the Company	Name of the Committee	Designation
NIL		

#### 4. Ms. Tanuja Randery

**Education:** M.B.A., Boston University, Boston, MA and B.A.; Economics, Sophia College, Bombay, India

Ms. Tanuja was CEO, UK & Ireland for Schneider Electric, the Global Energy Management and Automation Firm responsible for €1 billion business across Technology, Buildings, Power and Industry. She is also a Non-Executive Director on the Board of Proximus Group, the Belgium Telecommunications and Services company. Prior to Schneider, she spent more than 10 years in Telecommunications and Managed Services at Colt Technology Services, a leading pan-European telecoms provider, and most recently at BT Global Services, a €7 billion business, as President of Strategy & Transformation. While at Colt, she led Strategy & Transformation, Global Accounts and UK & Ireland, and was also a Managing Director of the Benelux business during 2006-2008. Prior to joining Colt, she led the Strategy function at EMC Corporation in Massachusetts, USA and was instrumental in a number of key software acquisitions. She started her career at McKinsey, the global strategy consulting firm where she spent 7 years specializing in technology and telecoms growth and sales strategy serving leading global companies.

Following are details of her Directorships / other Associations and Chairmanship(s) and Membership (s) of Committees:

Directorships / other Associations			
1.	Proximus Group Belgium	2.	French Chamber of Commerce Great Britain

Chairmanship(s) and Membership (s) of Committees		
Name of the Company	Name of the Committee	Designation
Proximus Group Belgium	Strategic Committee	Member

#### 5. Mr. Harsh Mariwala

**Education:** B.Com

Mr. Mariwala aged 67, leads Marico Limited as its Chairman. He is also Chairman & Managing Director of Kaya Limited. Over the past three decades, Mr. Mariwala has transformed a traditional commodities driven business into a leading consumer products and services company in the Beauty and Wellness space.

Mr. Mariwala's entrepreneurial drive and passion for innovation, enthused him to establish the Marico Innovation Foundation in 2003. The Foundation acts as a catalyst to fuel innovation in India.

Mr. Mariwala started ASCENT in 2012, a not-for-profit expression of his passion to create a unique trust-based peer-to-peer platform for high potential growth-stage entrepreneurs that leverages the "Power of the collective" and enables them to share and exchange experiences, ideas, insights and create a healthy ecosystem to learn from each other and grow their enterprise.

Mr. Mariwala was the President of Federation of Indian Chambers of Commerce and Industry (FICCI) in 2011.

Following are details of his Directorships / other Associations and Chairmanship(s) and Membership (s) of Committees:

<b>Directorships / other Associations</b>			
1.	Marico Limited	8.	Ascent India Foundation
2.	Marico Consumer Care Limited	9.	Mariwala Health Foundation
3.	Marico Innovation Foundation	10.	Aster DM Healthcare Limited
4.	Kaya Limited	11.	Thermax Limited
5.	Eternis Fine Chemicals Limited	12.	Aqua Centric Private Limited
6.	L&T Finance Holdings Limited	13.	Indian Schools of Communications Private Limited
7.	Scientific Precision Private Limited		

<b>Chairmanship(s) and Membership (s) of Committees</b>		
<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Designation</b>
L&T Finance Holdings Limited	Stakeholder Relationship Committee	Member

Mumbai, 24<sup>th</sup> April, 2018

By Order of the Board of Directors

Sd/-

**Gaurav Tongia**  
Company Secretary

Registered Office:  
Zensar Knowledge Park,  
Plot # 4, MIDC, Kharadi,  
Off Nagar Road, Pune - 411 014  
CIN: L72200PN1963PLC012621

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

**Form No. MGT- 11**



CIN: L72200PN1963PLC012621

Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road Pune – 411014  
investor@zensar.com | www.zensar.com

55<sup>th</sup> Annual General Meeting – 8<sup>th</sup> August, 2018

Name of the member(s) :

Registered address :

Email ID :

Folio No./Client ID : 

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DP ID : 

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I / we, being the member(s) of ..... shares of the above named company, hereby appoint

Name: ..... E-mail: .....

Address: .....

..... Signature: \_\_\_\_\_

Or failing of him / her

Name: ..... E-mail: .....

Address: .....

..... Signature: \_\_\_\_\_

Or failing of him / her

Name: ..... E-mail: .....

Address: .....

..... Signature: \_\_\_\_\_

TEAR HERE

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 55<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 8<sup>th</sup> August, 2018, at 12:00 Noon IST. at the Registered Office of the Company situated at Zensar Knowledge Park, Plot # 4, MIDC, Kharadi, Off Nagar Road, Pune – 411014, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional, see Note 3) (Please mention no. of shares)	
		For	Against
<b>Ordinary business</b>			
1	Adoption of Accounts		
2	Declaration of Dividend		
3	Re - appointment of Mr. H. V. Goenka (DIN: 00026726)		
4	Ratification of Appointment of Auditors		
<b>Special business</b>			
5	Appointment of Mr. Ketan Dalal (DIN 00003236) as a Non Executive Independent Director not liable to retire by rotation		
6	Appointment of Mr. Ben Druskin (DIN 07935711) as a Non Executive Independent Director not liable to retire by rotation		
7	Appointment of Ms. Tanuja Randery (DIN 08014909) as a Non Executive Independent Director not liable to retire by rotation		
8	Appointment of Mr. Harsh Mariwala (DIN 00210342) as a Non Executive Independent Director not liable to retire by rotation		
9	Approval for sub-division of shares		
10	Alteration of the capital clause of the Memorandum of Association		
11	Approval for the amendments in Employee Performance Award Unit Plan, 2016 for options granted/ to be granted to the employees of the Company		
12	Approval for amendments in Employee Performance Award Unit Plan, 2016 for options granted/ to be granted to the employees of the Company		
13	Approval for payment of Commission to Non-Executive Directors		

Signed this ..... day of ..... 2018

Signature of the member : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Affix Revenue Stamp of not less than ₹1
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Note :

1. This form, in order to be effective, should be duly completed, signed, stamped and deposited at the Registered Office of the Company, not less than 48 hours before the Annual General Meeting (on or before 6<sup>th</sup> August, 2018 at 12:00 Noon).
2. Corporate member(s) intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified true copy of the Board resolution, authorizing their representative to attend and vote on their behalf, at the meeting.
3. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Attendance Slip



CIN: L72200PN1963PLC012621

Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road Pune – 411014  
investor@zensar.com | www.zensar.com

55<sup>th</sup> Annual General Meeting – 8<sup>th</sup> August, 2018

Registered Folio no. / DP ID no. / Client ID no.:

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Number of shares held:

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I certify that I am a member / proxy / authorized representative for the member of the Company.

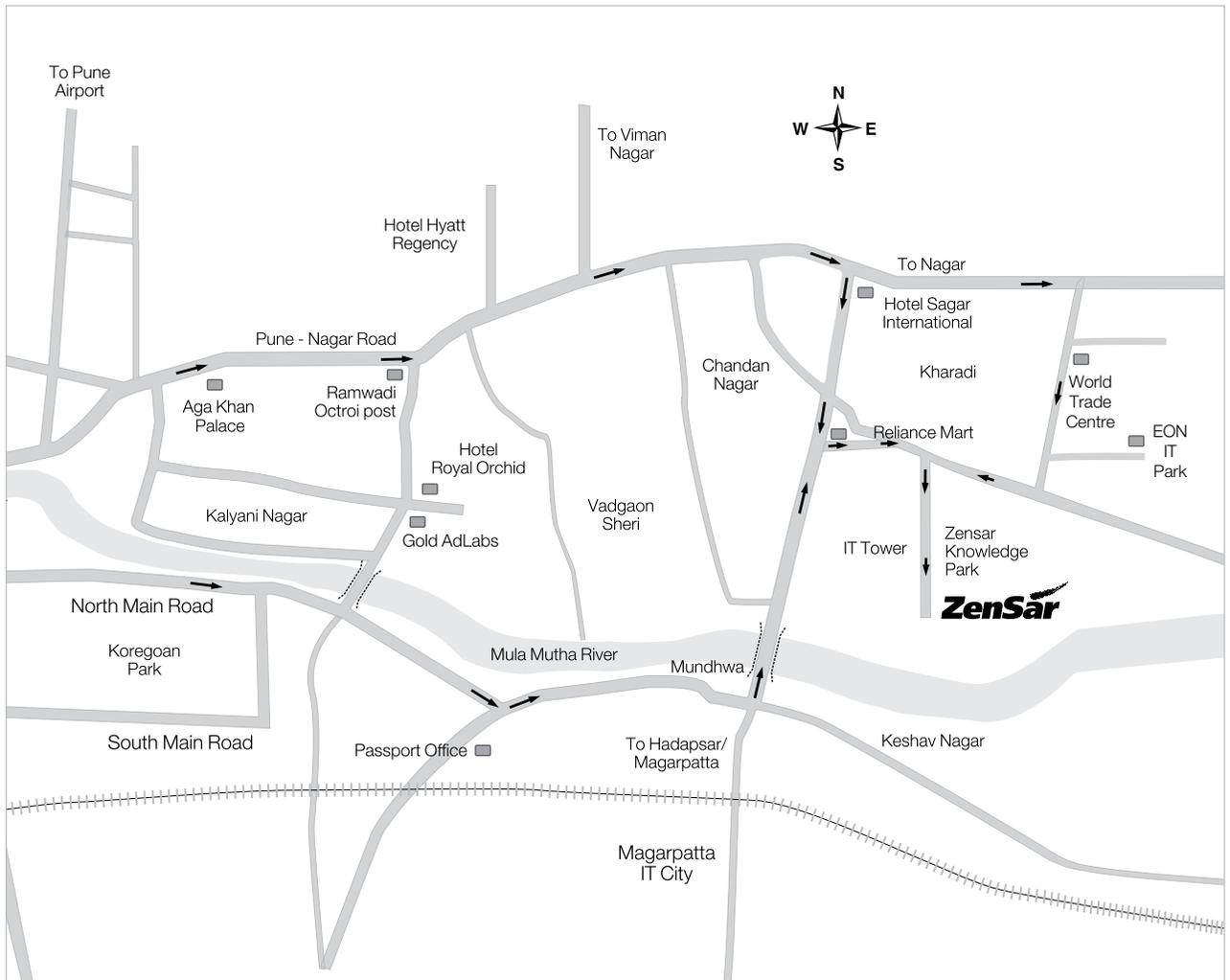
I hereby record my presence at the 55<sup>th</sup> Annual General Meeting of the Company at the Registered Office of the Company situated at Zensar Knowledge Park, Plot # 4, MIDC, Kharadi, Off Nagar Road, Pune - 411014, Maharashtra, India, on Wednesday, 8<sup>th</sup> August, 2018, at 12:00 Noon.

.....  
Name of the member / proxy  
(in BLOCK letters)

.....  
Signature of the member / proxy

**Note:** Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

## Route Map\* to the venue of the AGM



\*This Map is drawn for limited purpose and not to scale

Zensar Technologies Ltd., Zensar Knowledge Park, Kharadi,  
Plot #4, MIDC, Off Nagar Road, Pune 411 014, India  
Tel: +91(20)66074000, 27004000 Fax: +91(20)66074433