

Zensar Technologies Limited
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India
Statement of Consolidated Unaudited Results for the Quarter and Nine months ended 31st December, 2017

(Rs. in Lakhs)

| Particulars | Quarter ended | | | Nine months ended | | Year Ended |
|---|---------------|---------------|---------------|-------------------|----------------|----------------|
| | 31-Dec-2017 | 30-Sep-2017 | 31-Dec-2016 | 31-Dec-2017 | 31-Dec-2016 | 31-Mar-2017 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 Revenue from operations | 79,376 | 76,260 | 78,654 | 229,301 | 231,228 | 305,559 |
| 2 Other income (net) | 647 | 2,094 | 2,004 | 4,767 | 4,686 | 2,406 |
| 3 Total Income | 80,023 | 78,354 | 80,658 | 234,068 | 235,914 | 307,965 |
| 4 Expenses | | | | | | |
| a. Purchase of traded goods | 4,545 | 2,955 | 6,578 | 11,136 | 19,241 | 22,167 |
| b. Changes in inventories | 516 | 230 | 234 | 359 | 550 | 1,319 |
| c. Employee benefits expense | 42,184 | 42,962 | 40,304 | 126,787 | 117,710 | 159,300 |
| d. Cost of manpower hired | 9,300 | 8,976 | 9,012 | 27,813 | 26,834 | 35,880 |
| e. Finance costs | 607 | 534 | 177 | 1,762 | 546 | 877 |
| f. Depreciation and amortisation expense | 1,599 | 1,714 | 1,202 | 5,120 | 3,590 | 4,857 |
| g. Other expenses | 12,286 | 12,289 | 11,673 | 36,334 | 34,554 | 48,703 |
| Total expenses | 71,037 | 69,660 | 69,180 | 209,311 | 203,025 | 273,103 |
| 5 Profit before tax (3-4) | 8,986 | 8,694 | 11,478 | 24,757 | 32,889 | 34,862 |
| 6 Tax expense | | | | | | |
| a. Current tax | 2,974 | 1,927 | 3,502 | 7,388 | 10,382 | 10,506 |
| b. Deferred tax | (5) | 348 | (39) | 124 | (256) | 519 |
| 7 Net Profit for the period (5-6) | 6,017 | 6,419 | 8,015 | 17,245 | 22,763 | 23,837 |
| 8 Net Profit/(Loss) attributable to: | | | | | | |
| - Owners | 5,907 | 6,263 | 8,004 | 16,888 | 22,450 | 23,486 |
| - Non-controlling interests | 110 | 156 | 11 | 357 | 313 | 351 |
| 9 Other comprehensive income, net of income tax | | | | | | |
| <i>A. Items that will not be reclassified to profit or loss</i> | 723 | (171) | (231) | 553 | (596) | (630) |
| <i>B. Items that will be reclassified to profit or loss</i> | (694) | 15 | 314 | (424) | (22) | (1,182) |
| Total other comprehensive income, net of income tax | 29 | (156) | 83 | 129 | (618) | (1,812) |
| 10 Total comprehensive income for the period (7+9) | 6,046 | 6,263 | 8,098 | 17,374 | 22,145 | 22,025 |
| 11 Total comprehensive income attributable to: | | | | | | |
| - Owners | 5,936 | 6,107 | 8,087 | 17,017 | 21,832 | 21,674 |
| - Non-controlling interests | 110 | 156 | 11 | 357 | 313 | 351 |
| 12 Paid-up equity share capital (Face value Rs.10 each) | 4,498 | 4,494 | 4,480 | 4,498 | 4,480 | 4,487 |
| 13 Other equity excluding Revaluation Reserves as per balance sheet | | | | | | 142,562 |
| 14 Earnings Per Share (EPS) (Face value Rs. 10 each) (not annualised): | | | | | | |
| a) Basic | 13.14 | 13.95 | 17.87 | 37.60 | 50.21 | 52.50 |
| b) Diluted | 13.00 | 13.79 | 17.67 | 37.21 | 49.66 | 51.76 |

Consolidated Segment wise Revenue & Results for the quarter and nine months ended 31st December, 2017

(Rs. in Lakhs)

| Particulars | Quarter ended | | | Nine months ended | | Year Ended |
|--|---------------|---------------|---------------|-------------------|----------------|----------------|
| | 31-Dec-2017 | 30-Sep-2017 | 31-Dec-2016 | 31-Dec-2017 | 31-Dec-2016 | 31-Mar-2017 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 Segment Revenue | | | | | | |
| Application Management Services | 65,779 | 63,255 | 60,333 | 189,099 | 178,780 | 239,860 |
| Infrastructure Management Services | 13,597 | 13,005 | 18,321 | 40,202 | 52,448 | 65,699 |
| Revenue From Operations | 79,376 | 76,260 | 78,654 | 229,301 | 231,228 | 305,559 |
| 2 Segment Results Profit / (Loss) before tax and interest | | | | | | |
| Application Management Services | 11,495 | 8,971 | 11,474 | 28,793 | 34,788 | 44,653 |
| Infrastructure Management Services | (504) | (439) | 6 | (527) | (821) | (2,434) |
| Total Segment Results | 10,991 | 8,532 | 11,480 | 28,266 | 33,967 | 42,219 |
| Less: Finance costs | 607 | 534 | 177 | 1,762 | 546 | 877 |
| Less: Unallocable expenditure net of unallocable income | 1,399 | (696) | (175) | 1,747 | 532 | 6,480 |
| Total Profit before Tax | 8,986 | 8,694 | 11,478 | 24,757 | 32,889 | 34,862 |

| Statement of Segment Assets & Liabilities | | 31-Dec-2017 | 30-Sep-2017 | 31-Dec-2016 | 31-Mar-2017 |
|---|------------------------------------|----------------|----------------|----------------|-------------|
| | | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment Assets | | | | |
| | Trade Receivables | | | | |
| | Application Management Services | 48,383 | 48,867 | 43,380 | 39,615 |
| | Infrastructure Management Services | 11,735 | 10,736 | 15,948 | 13,652 |
| | Total Trade Receivables | 60,118 | 59,603 | 59,328 | 53,267 |
| | Inventories | | | | |
| | Application Management Services | - | - | - | - |
| | Infrastructure Management Services | 10,909 | 11,424 | 12,037 | 11,267 |
| | Total Inventories | 10,909 | 11,424 | 12,037 | 11,267 |
| | Unbilled Revenue | | | | |
| | Application Management Services | 25,064 | 25,848 | 19,215 | 20,195 |
| | Infrastructure Management Services | 4,766 | 4,821 | 6,737 | 5,335 |
| | Total Unbilled Revenue | 29,830 | 30,669 | 25,953 | 25,530 |
| | Goodwill | | | | |
| | Application Management Services | 24,765 | 25,055 | 36,434 | 14,333 |
| | Infrastructure Management Services | 17,064 | 17,441 | 18,146 | 17,324 |
| | Total Goodwill | 41,829 | 42,496 | 54,580 | 31,657 |
| Unallocable Assets | 94,132 | 77,375 | 82,969 | 88,547 | |
| TOTAL ASSETS | 236,818 | 221,567 | 234,866 | 210,268 | |
| 2 | Segment Liabilities | | | | |
| | Unearned Revenue | | | | |
| | Application Management Services | 5,340 | 4,916 | 4,632 | 4,968 |
| | Infrastructure Management Services | 2,592 | 2,015 | 2,502 | 3,967 |
| | Total Unearned Revenue | 7,932 | 6,931 | 7,134 | 8,935 |
| | Unallocable Liabilities | 66,951 | 58,491 | 61,246 | 53,543 |
| Total Liabilities | 74,883 | 65,422 | 68,380 | 62,478 | |

Notes :

- 1 The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at their meeting held on January 18, 2018.
- 2 In November 2016, the Company, through its wholly owned subsidiary, Zensar Technologies (UK) Limited, acquired a 100% stake in Foolproof Limited, an Experience Design Company based in UK. The results for the quarter and nine months ended December 31, 2017 include the results of Foolproof Group (Revenue from operations of Rs. 2188 lakhs and Rs. 7045 lakhs respectively & Profit before tax of Rs. 132 lakhs and Rs. 78 lakhs respectively) and are therefore not comparable with results for quarter and nine months ended December 31, 2016.
- 3 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. 5181 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. 8000 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. The results for the quarter and nine months ended December 31, 2017 include the results of the above mentioned acquired business & entity (Revenue from operations of Rs. 3914 lakhs and Rs. 10512 lakhs respectively & Profit before tax of Rs. 1115 lakhs and Rs. 3248 lakhs respectively) and are therefore not comparable with results of previous periods.
- 4 The Group had initially opted to apply Ind AS 103- Business Combinations from the date of transition i.e. April 1, 2015 to Indian Accounting Standards. However, during the quarter ended March 31, 2017, the Group opted to apply this standard to all business combinations completed on or after October 1, 2010. Accordingly, the figures for quarter and nine months ended December 31, 2016 have been restated to give effect of the above mentioned change and consequently, the profit before tax for the quarter and nine months ended December 31, 2016 is lower by Rs. 176 lakhs and Rs. 528 lakhs respectively than as reported earlier.
- 5 The consolidated financial results include the results of Zensar Technologies Limited and its subsidiaries viz., Zensar Technologies Inc., Zensar Technologies (UK) 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, Zensar Technologies (Singapore) Pte. Limited, Foolproof Limited, Knit Limited, Foolproof (SG) Pte Limited, Flow Interactive Limited, Zensar Technologies (Shanghai) Company Limited, Keystone Logic Inc, Zensar Information Technologies Limited, Zensar Software Technologies Limited and Zensar Info Technologies (Singapore) Pte Limited.
- 6 Other Income (Net) for the quarter and nine months ended December 31, 2017 includes foreign exchange gain of Rs. 32 lakhs and Rs. 2752 lakhs respectively. (Corresponding previous period: net gain of Rs. 1528 lakhs and Rs. 2861 lakhs). Other Income (net) for the quarter ended September 30, 2017 includes net foreign exchange gain of Rs. 1480 lakhs.
- 7 During the nine months ended December 31, 2017, the Company issued 9350 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 94352 equity shares under "2006 ESOP" stock option plan.
- 8 Results of Zensar Technologies Limited on a stand alone basis are hosted on the Company's website www.zensar.com.

Stand-Alone Financial Information

| Particulars | (Rs. in Lakhs) | | | | | |
|---------------------------|----------------|-------------|-------------|-------------------|-------------|-------------|
| | Quarter ended | | | Nine months ended | | Year Ended |
| | 31-Dec-2017 | 30-Sep-2017 | 31-Dec-2016 | 31-Dec-2017 | 31-Dec-2016 | 31-Mar-2017 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Revenue from operations | 31,846 | 32,286 | 32,457 | 94,463 | 97,473 | 127,240 |
| Profit before tax | 5,191 | 7,991 | 8,847 | 17,961 | 22,523 | 25,298 |
| Net profit for the period | 3,830 | 6,155 | 6,343 | 13,488 | 16,034 | 18,022 |

- 9 The board of directors in their meetings on January 18, 2018 declared an interim dividend of Rs. 5.00 Per equity share.

For and on behalf of the Board

Mumbai
Date: January 18, 2018

Sandeep Kishore
Managing Director & CEO
DIN:07393680