

Zensar Technologies Limited						
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India						
Unaudited Statement of Consolidated Results for the Quarter and Nine months ended 31st December, 2018						
(Rs. in Lakhs)						
Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-2018	30-Sep-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017	31-Mar-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	103,555	96,871	79,376	290,892	229,301	310,774
2 Other income (net)	251	4,129	647	6,768	4,767	7,439
3 Total Income	103,806	101,000	80,023	297,660	234,068	318,213
4 Expenses						
a. Purchase of traded goods	4,343	1,362	4,545	8,208	11,136	13,376
b. Changes in inventories	1,577	2,152	1,221	4,938	3,956	5,433
c. Employee benefits expense	56,611	53,147	42,184	158,349	126,787	170,535
d. Subcontracting costs	17,476	16,034	9,300	47,135	27,813	40,040
e. Finance costs	1,089	952	607	2,627	1,762	2,257
f. Depreciation and amortisation expense	2,371	2,242	1,590	6,432	5,092	6,508
g. Other expenses	12,508	11,889	11,590	37,302	32,765	44,897
Total expenses	95,975	87,778	71,037	264,991	209,311	283,056
5 Profit before tax (3-4)	7,831	13,222	8,986	32,669	24,757	35,157
6 Tax expense						
a. Current tax	2,536	4,096	2,974	10,308	7,388	11,142
b. Deferred tax	(356)	(377)	(5)	(1,185)	124	(634)
7 Net Profit for the period (5-6)	5,651	9,503	6,017	23,546	17,245	24,649
8 Net Profit/ (Loss) attributable to:						
- Owners	5,528	9,340	5,907	23,085	16,888	24,153
- Non-controlling interests	123	163	110	461	357	496
9 Other comprehensive income, net of income tax						
A. Items that will not be reclassified to profit or loss	(353)	397	723	44	553	685
B. Items that will be reclassified to profit or loss	(318)	232	(694)	(237)	(424)	(1,194)
Total other comprehensive income, net of income tax	(671)	629	29	(193)	129	1,879
10 Total comprehensive income for the period (7+9)	4,980	10,132	6,046	23,353	17,374	26,528
11 Total comprehensive income attributable to:						
- Owners	4,891	9,962	5,936	23,054	17,017	25,904
- Non-controlling interests	89	170	110	299	357	624
12 Paid-up equity share capital (Face value Rs. 2 each) (refer note 10 below)	4,502	4,501	4,498	4,502	4,498	4,499
13 Other equity excluding Revaluation Reserves as per balance sheet						162,391
14 Earnings Per Share (EPS) (Face value Rs. 2 each) (not annualised) (refer note 10 below):						
a) Basic	2.46	4.15	2.63	10.26	7.52	10.75
b) Diluted	2.41	4.08	2.60	10.09	7.44	10.64

Consolidated Segment wise Revenue & Results for the quarter and nine months ended 31st December, 2018

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(Rs. in Lakhs)						
Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-2018	30-Sep-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017	31-Mar-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
Application Management Services	86,091	82,165	65,779	245,168	189,099	259,118
Infrastructure Management Services	17,464	14,706	13,597	45,724	40,202	51,656
Revenue From Operations	103,555	96,871	79,376	290,892	229,301	310,774
2 Segment Results Profit / (Loss) before tax and finance cost						
Application Management Services	10,891	11,553	11,495	34,192	28,793	38,638
Infrastructure Management Services	1,214	1,525	(504)	3,452	(527)	(599)
Total Segment Results	12,105	13,078	10,991	37,644	28,266	38,039
Less: Finance costs	1,089	952	607	2,627	1,762	2,267
Less: Unallocable expenditure net of unallocable income	3,185	(1,096)	1,398	2,348	1,747	615
Total Profit before Tax	7,831	13,222	8,986	32,669	24,757	35,157

Statement of Segment Assets & Liabilities		31-Dec-2018	30-Sep-2018	31-Dec-2017	31-Mar-2018
		Unaudited	Unaudited	Unaudited	Audited
1	Segment Assets				
	Trade Receivables				
	Application Management Services	66,375	58,812	48,383	53,256
	Infrastructure Management Services	16,306	13,946	11,735	10,970
	Total Trade Receivables	82,681	72,758	60,118	64,226
	Inventories				
	Application Management Services	-	-	-	-
	Infrastructure Management Services	10,680	11,091	10,909	10,600
	Total Inventories	10,680	11,091	10,909	10,600
	Unbilled Revenue				
	Application Management Services	33,854	38,151	25,064	26,122
	Infrastructure Management Services	4,716	6,233	4,766	4,346
	Total Unbilled Revenue	38,570	44,384	29,830	30,468
	Goodwill				
	Application Management Services	41,873	43,278	24,765	24,716
	Infrastructure Management Services	18,747	19,477	17,064	17,518
	Total Goodwill	60,620	62,755	41,829	42,234
	Unallocable Assets	111,137	106,738	94,132	82,114
	TOTAL ASSETS	303,688	297,726	236,818	229,642
2	Segment Liabilities				
	Unearned Revenue				
	Application Management Services	5,094	5,555	5,340	6,001
	Infrastructure Management Services	2,602	2,911	2,592	3,277
	Total Unearned Revenue	7,696	8,466	7,932	9,278
	Unallocable Liabilities	108,510	105,706	66,951	52,109
	Total Liabilities	116,206	114,172	74,883	61,387

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 21, 2019.
- 2 The Company entered into a Share Purchase Agreement dated March 21, 2018 to acquire 100% equity in Cynosure Interface Solutions Private Limited, an Indian IT company for a purchase consideration not exceeding Rs. 1300 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 Rs. 20150 lakhs (USD 31 million) payable upfront and balance amount of Rs. 18200 lakhs (USD 28 million) being earn-outs, subject to performance targets over 24 months.
The above mentioned acquisitions has been consummated in April 2018.
The results for the quarter and nine months ended December 31, 2018 include the results of Cynosure Group (Revenue from operations of Rs. 4462 lakhs and Rs. 12215 lakhs respectively & Profit before tax of Rs. 1190 lakhs and Rs. 2921 lakhs respectively) and are therefore not comparable with results of previous periods.
- 3 The Company, through its subsidiary, Zensar Technologies Inc. entered into a Share Purchase Agreement dated July 27, 2018 to acquire 100% equity in Indigo Slate, Inc ("Indigo Slate"), a USA based IT company for purchase consideration of Rs. 12348 lakhs (USD 18 million) payable upfront and deferred consideration of an amount upto Rs. 18522 lakhs (USD 27 million), subject to performance targets over 36 months.
The above mentioned acquisition has been consummated in August 2018.
The results for the quarter and nine months ended December 31, 2018 include the results of Indigo Slate (Revenue from operations of Rs. 4581 lakhs and Rs. 7392 lakhs respectively & Profit before tax of Rs. 830 lakhs and Rs. 1470 lakhs respectively) and are therefore not comparable with results of previous periods.
- 4 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, Zensar Technologies (Shanghai) Company Limited, Keystone Logic Inc, Zensar Information Technologies Limited, Zensar Software Technologies Limited, Zensar Info Technologies (Singapore) Pte Limited, Zensar IT Services Limited, Cynosure Inc, Cynosure Interface Services Private Limited, Cynosure Apac PTY LTD, Cynosure Inc UK Ltd, Keystone Logic Mexico, S. DE R.L. DE C.V, Keystone Technologies Mexico, S. DE R.L. DE C.V and Indigo Slate Inc.
- 5 Other Income (Net) for the quarter and nine months ended December 31, 2018 includes foreign exchange gain/(loss) of Rs. (1688) lakhs and Rs. 3093 lakhs respectively. (Corresponding previous period: net gain of Rs. 32 lakhs and Rs. 2752 lakhs). Other Income (net) for the quarter ended September 30, 2018 includes net foreign exchange gain of Rs. 3533 lakhs.
- 6 During the nine months ended December 31, 2018, the Company issued 24,500 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 143,480 equity shares under "2006 ESOP" stock option plan.
- 7 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-2018	30-Sep-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017	31-Mar-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	32,539	34,918	31,846	101,739	94,463	128,581
Profit before tax	4,565	10,779	5,191	23,288	17,961	25,678
Net profit for the period	3,337	8,260	3,830	17,509	13,488	19,258

- 8 The board of directors in their meeting on January 21, 2019 declared an interim dividend of Rs. 1.00 Per equity share.
- 9 During the quarter ended December 31, 2018, Company reversed contingent consideration payable on business combinations consummated in previous year amounting to GBP 1.7 million [RS. 1564 lakhs] based on company's assessment, being no longer payable. This reversal is accounted under other income.
- 10 Shareholder on August 8, 2018 approved the share split [in the ratio of 5 equity shares having face value of Rs. 2 each against 1 equity share having face value of Rs. 10 each held] and the Board of Directors fixed the record date as September 10, 2018 .
Basic and Diluted earnings per share for the previous periods has been presented to reflect the adjustment for share split in accordance with IND AS 33 Earnings Per Share.
- 11 Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial results.

For and on behalf of the Board on behalf of the Board

Mumbai
Date: January 21, 2019

Sandeep Kishore
Managing Director & CEO
DIN:07393680