

Zensar Technologies Limited
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India
Statement of Consolidated Audited Results for the Year ended 31st March, 2018.

(Rs. in Lakhs)

Particulars	Quarter ended			Year Ended	
	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
	Refer note 13	Refer note 13	Refer note 13		
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Revenue from operations	81,473	79,376	74,331	310,774	305,559
2 Other income (net)	2,672	647	(2,280)	7,439	2,406
3 Total Income	84,145	80,023	72,051	318,213	307,965
4 Expenses					
a. Purchase of traded goods	2,240	4,545	2,926	13,376	22,167
b. Changes in inventories	1,476	1,221	1,875	5,433	6,684
c. Employee benefits expense	43,748	42,184	41,840	170,535	159,551
d. Subcontracting costs	12,227	9,300	9,045	40,040	35,880
e. Finance costs	505	607	331	2,267	877
f. Depreciation and amortisation expense	1,388	1,599	1,265	6,508	4,855
g. Other expenses	12,160	11,581	12,795	44,897	43,089
Total expenses	73,744	71,037	70,077	283,056	273,103
5 Profit before tax (3-4)	10,401	8,986	1,974	35,157	34,862
6 Tax expense					
a. Current tax	3,754	2,974	124	11,142	10,506
b. Deferred tax	(758)	(5)	775	(634)	519
7 Net Profit for the period (5-6)	7,405	6,017	1,075	24,649	23,837
8 Net Profit/(Loss) attributable to:					
- Owners	7,265	5,907	1,037	24,153	23,487
- Non-controlling interests	139	110	37	496	350
9 Other comprehensive income, net of income tax					
A. Items that will not be reclassified to profit or loss	132	723	(33)	685	(629)
B. Items that will be reclassified to profit or loss	1,618	(694)	(1,161)	1,194	(1,183)
Total other comprehensive income, net of income tax	1,750	29	(1,194)	1,879	(1,812)
10 Total comprehensive income for the period (7+9)	9,155	6,046	(119)	26,528	22,025
11 Total comprehensive income attributable to:					
- Owners	8,888	5,936	(156)	25,904	21,675
- Non-controlling interests	267	110	37	624	350
12 Paid-up equity share capital (Face value Rs.10 each)	4,499	4,498	4,487	4,499	4,487
13 Other equity excluding Revaluation Reserves as per balance sheet				162,391	142,669
14 Earnings Per Share (EPS) (Face value Rs. 10 each) (not annualised):					
a) Basic	16.15	13.14	2.31	53.76	52.50
b) Diluted	15.98	13.00	2.28	53.20	51.76

Consolidated Segment wise Revenue & Results for the Year ended 31st March, 2018

Particulars	Quarter ended			Year Ended	
	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Segment Revenue					
Application Management Services	70,020	65,779	61,080	259,118	239,860
Infrastructure Management Services	11,454	13,597	13,251	51,656	65,699
Revenue From Operations	81,474	79,376	74,331	310,774	305,559
2 Segment Results Profit / (Loss) before tax and finance cost					
Application Management Services	9,845	11,495	9,865	38,638	44,653
Infrastructure Management Services	(72)	(504)	(1,613)	(599)	(2,434)
Total Segment Results	9,773	10,991	8,252	38,039	42,219
Less: Finance costs	505	607	331	2,267	877
Less: Unallocable expenditure net of unallocable income	(1,133)	1,399	5,947	615	6,480
Total Profit before tax	10,401	8,986	1,974	35,157	34,862

Statement of Segment Assets & Liabilities		31 March 2018	31 December 2017	31 March 2017
		Audited	Unaudited	Audited
		1	Segment Assets	
	Trade Receivables			
	Application Management Services	53,256	48,383	39,665
	Infrastructure Management Services	10,970	11,735	13,652
	Total Trade Receivables	64,226	60,118	53,317
	Inventories			
	Application Management Services	-	-	-
	Infrastructure Management Services	10,600	10,909	11,267
	Total Inventories	10,600	10,909	11,267
	Unbilled Revenue			
	Application Management Services	26,122	25,064	20,161
	Infrastructure Management Services	4,346	4,766	5,335
	Total Unbilled Revenue	30,468	29,830	25,496
	Goodwill			
	Application Management Services	24,716	24,765	14,332
	Infrastructure Management Services	17,518	17,064	17,432
	Total Goodwill	42,234	41,829	31,764
	Unallocable Assets	82,114	94,132	88,724
	TOTAL ASSETS	229,642	236,818	210,568
2	Segment Liabilities			
	Unearned Revenue			
	Application Management Services	6,001	5,340	4,208
	Infrastructure Management Services	3,277	2,592	3,967
	Total Unearned Revenue	9,278	7,932	8,175
	Unallocable Liabilities	52,109	66,951	54,496
	Total Liabilities	61,387	74,883	62,670

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 April 24, 2018.

2 Statement of Assets & Liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Assets		
Non-Current Assets		
(a) Property, Plant and Equipment	10,030	8,924
(b) Capital work-in-progress	228	101
(c) Goodwill	42,234	31,764
(d) Other Intangible assets	6,904	4,002
(e) Intangible assets under development	359	162
(f) Financial Assets		
i) Investments	14,440	9,603
ii) Other financial assets	2,330	1,823
(g) Income tax assets (net)	1,745	3,924
(h) Deferred tax assets (net)	3,095	1,738
(i) Other non-current assets	1,946	1,877
Total - Non-current assets	83,311	63,918
Current Assets		
(a) Inventories	10,600	11,267
(b) Financial Assets		
i) Investments	13,023	14,667
ii) Trade receivables	64,226	53,317
iii) Cash and cash equivalents	20,416	32,713
iv) Bank balances other than in (iii) above	271	196
v) Other financial assets	30,681	27,048
(c) Other current assets	7,114	7,442
Total - Current assets	146,331	146,650
Total - Assets	229,642	210,568
Equity And Liabilities		
Equity		
(a) Equity Share Capital	4,499	4,487
(b) Other Equity		
i. Reserves and surplus	160,512	142,118
ii. Other components of equity	1,879	551
Equity Attributable to Owners of the Company	166,890	147,156
Non controlling interests	1,365	741
Total - Equity	168,255	147,897
Non-Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	595	26
ii) Other financial liabilities	6,201	3,080
(b) Provisions	88	79
(c) Employee benefit obligations	1,496	1,528
Total - Non-Current Liabilities	8,380	4,713
Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	-	13,029
ii) Trade payables	18,393	17,526
iii) Other financial liabilities	16,149	8,860
(b) Employee benefit obligations	4,549	4,895
(c) Other current liabilities	12,231	10,711
(d) Current tax liabilities (Net)	1,685	2,937
Total - Current Liabilities	53,007	57,958
Total - Equity And Liabilities	229,642	210,568

- 3 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 year ended March 31, 2018 include the results of Foolproof Group (Revenue from operations of Rs. 9,867 lakhs & Profit before tax of Rs. 252 lakhs) and are therefore not comparable with results for year ended March 31, 2017.
- 4 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. 4987 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 year ended March 31, 2018 include the results of the above mentioned acquired business & entity (Revenue from operations of Rs. 4,106 lakhs and Rs. 14,618 lakhs respectively & Profit before tax of Rs. 1,405 lakhs and Rs. 4,653 lakhs respectively) and are therefore not comparable with results of previous periods.
- 5 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 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.
- 6 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, Zensar Info Technologies (Singapore) Pte Limited and Zensar IT Services Limited.
- 7 The company, through its Board meeting dated 14th March 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.
- 8 Other Income (Net) for the quarter and year ended March 31, 2018 includes foreign exchange gain/(loss) of Rs. 1,900 lakhs and Rs. 4,652 lakhs respectively. (Corresponding previous periods: net gain of Rs. (2654) lakhs and Rs. 207 lakhs).
Other Income (net) for the quarter ended December 31, 2017 includes net foreign exchange gain of Rs. 32 lakhs.
- 9 During the year ended March 31, 2018, the Company issued 10550 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 105900 equity shares under "2006 ESOP" stock option plan.
- 10 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			Year Ended	
	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenue from operations	34,118	31,846	29,766	128,581	127,239
Profit before tax	7,717	5,191	2,776	25,678	25,299
Net profit for the period	5,770	3,830	1,988	19,258	18,022

- 11 The board of directors in their meeting on January 18, 2018 declared an interim dividend of Rs. 5 Per equity share.
In addition, the Board of Directors in their meeting held on April 24, 2018 have recommended a final dividend of Rs. 7 Per equity share, subject to the approval of shareholders.
- 12 The consolidated Ind AS financial results of the Company for the quarter and year ended March 31 2017, were reviewed/ audited by Price Waterhouse, Chartered Accountants, the predecessor auditor.
- 13 Figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the respective financial year.

For and on behalf of the Board

Mumbai
Date: April 24, 2018

Sandeep Kishore
Managing Director & CEO
DIN:07393680