

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 Half Year ended 30th September, 2018

(Rs. in Lakhs)

Particulars	Quarter ended			Half Year ended		Year Ended
	30-Sep-2018	30-Jun-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	31-Mar-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	96,871	90,466	76,260	187,337	149,925	310,774
2 Other income (net)	4,129	2,387	2,094	6,516	4,120	7,439
3 Total Income	101,000	92,853	78,354	193,853	154,045	318,213
4 Expenses						
a. Purchase of traded goods	1,362	2,503	2,955	3,865	6,592	13,376
b. Changes in inventories	2,152	1,209	1,528	3,361	2,735	5,433
c. Employee benefits expense	53,147	48,591	42,962	101,738	84,603	170,535
d. Subcontracting costs	16,034	13,625	8,976	29,659	18,513	40,040
e. Finance costs	952	586	534	1,538	1,155	2,267
f. Depreciation and amortisation expense	2,242	1,819	1,696	4,061	3,502	6,508
g. Other expenses	11,889	12,905	11,009	24,794	21,175	44,897
Total expenses	87,778	81,238	69,660	169,016	138,275	283,056
5 Profit before tax (3-4)	13,222	11,615	8,694	24,837	15,770	35,157
6 Tax expense						
a. Current tax	4,096	3,676	1,927	7,772	4,414	11,142
b. Deferred tax	(377)	(452)	348	(829)	129	(634)
7 Net Profit for the period (5-6)	9,503	8,391	6,419	17,894	11,227	24,649
8 Net Profit/(Loss) attributable to:						
- Owners	9,340	8,216	6,263	17,556	10,980	24,153
- Non-controlling interests	163	175	156	338	247	496
9 Other comprehensive income, net of income tax						
A. Items that will not be reclassified to profit or loss	397	-	(171)	397	(171)	685
B. Items that will be reclassified to profit or loss	232	(151)	15	81	271	1,194
Total other comprehensive income, net of income tax	629	(151)	(156)	478	100	1,879
10 Total comprehensive income for the period (7+9)	10,132	8,240	6,263	18,372	11,327	26,528
11 Total comprehensive income attributable to:						
- Owners	9,962	8,201	6,107	18,163	11,080	25,904
- Non-controlling interests	170	39	156	209	247	624
12 Paid-up equity share capital (Face value Rs. 2 each) (refer note 10 below)	4,501	4,500	4,494	4,501	4,494	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	4.15	3.65	2.79	7.80	4.89	10.75
b) Diluted	4.08	3.61	2.77	7.67	4.83	10.64

Consolidated Segment wise Revenue & Results for the quarter and half year ended 30th September, 2018

Particulars	Quarter ended			Half Year ended		Year Ended
	30-Sep-2018	30-Jun-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	31-Mar-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
Application Management Services	82,165	76,913	63,255	159,078	123,320	259,118
Infrastructure Management Services	14,706	13,553	13,005	28,259	26,605	51,656
Revenue From Operations	96,871	90,466	76,260	187,337	149,925	310,774
2 Segment Results Profit / (Loss) before tax and finance cost						
Application Management Services	11,553	11,748	8,971	23,301	17,298	38,638
Infrastructure Management Services	1,525	713	(439)	2,238	(23)	(599)
Total Segment Results	13,078	12,461	8,532	25,539	17,275	38,039
Less: Finance costs	952	586	534	1,538	1,155	2,267
Less: Unallocable expenditure net of unallocable income	(1,096)	260	(696)	(836)	350	615
Total Profit before Tax	13,222	11,615	8,694	24,837	15,770	35,157

Statement of Segment Assets & Liabilities		30-Sep-2018	30-Jun-2018	30-Sep-2017	31-Mar-2018
		Unaudited	Unaudited	Unaudited	Audited
1	Segment Assets				
	Trade Receivables				
	Application Management Services	58,812	58,875	48,867	53,256
	Infrastructure Management Services	13,946	12,564	10,736	10,970
	Total Trade Receivables	72,758	71,439	59,603	64,226
	Inventories				
	Application Management Services	-	-	-	-
	Infrastructure Management Services	11,091	10,873	11,424	10,600
	Total Inventories	11,091	10,873	11,424	10,600
	Unbilled Revenue				
	Application Management Services	38,151	30,099	25,848	26,122
	Infrastructure Management Services	6,233	5,396	4,821	4,346
	Total Unbilled Revenue	44,384	35,495	30,669	30,468
	Goodwill				
	Application Management Services	43,278	36,142	25,055	24,716
	Infrastructure Management Services	19,477	18,399	17,441	17,518
	Total Goodwill	62,755	54,541	42,496	42,234
	Unallocable Assets	106,738	91,699	77,375	82,114
	TOTAL ASSETS	297,726	264,047	221,567	229,642
2	Segment Liabilities				
	Unearned Revenue				
	Application Management Services	5,555	5,447	4,916	6,001
	Infrastructure Management Services	2,911	3,556	2,015	3,277
	Total Unearned Revenue	8,466	9,003	6,931	9,278
	Unallocable Liabilities	105,706	80,364	58,491	52,109
	Total Liabilities	114,172	89,367	65,422	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 October 23, 2018.

2 Statement of Assets & Liabilities**(Rs. in Lakhs)**

Particulars	As at 30-Sep-2018	As at 31-Mar-2018
Assets		
Non-Current Assets		
(a) Property, Plant and Equipment	10,777	10,030
(b) Capital work-in-progress	610	228
(c) Goodwill	62,755	42,234
(d) Other Intangible assets	27,197	6,904
(e) Intangible assets under development	477	359
(f) Financial Assets		
i) Investments	9,489	14,440
ii) Other financial assets	2,536	2,330
(g) Income tax assets (net)	2,248	1,745
(h) Deferred tax assets (net)	4,363	3,095
(i) Other non-current assets	1,314	1,946
Total - Non-current assets	121,766	83,311
Current Assets		
(a) Inventories	11,091	10,600
(b) Financial Assets		
i) Investments	4,365	13,023
ii) Trade receivables	72,758	64,226
iii) Cash and cash equivalents	30,600	20,416
iv) Bank balances other than in (iii) above	580	271
v) Other financial assets	44,639	30,681
(c) Other current assets	11,927	7,114
Total - Current assets	175,960	146,331
Total - Assets	297,726	229,642
Equity And Liabilities		
Equity		
(a) Equity Share Capital	4,501	4,499
(b) Other Equity		
i. Reserves and surplus	175,462	160,512
ii. Other components of equity	1,959	1,879
Equity Attributable to Owners of the Company	181,922	166,890
Non controlling interests	1,632	1,365
Total - Equity	183,554	168,255
Non-Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	486	595
ii) Other financial liabilities	9,889	6,201
(b) Provisions	157	88
(c) Employee benefit obligations	1,544	1,496
(d) Other non-current liabilities	-	-
Total - Non-Current Liabilities	12,076	8,380
Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	36,605	-
ii) Trade payables	23,396	18,393
iii) Other financial liabilities	17,953	16,149
(b) Employee benefit obligations	5,405	4,549
(c) Other current liabilities	14,167	12,231
(d) Current tax liabilities (Net)	4,570	1,685
Total - Current Liabilities	102,096	53,007
Total - Equity And Liabilities	297,726	229,642

- 3 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 half year ended September 30, 2018 include the results of Cynosure Group (Revenue from operations of Rs. 3801 lakhs and Rs. 7753 lakhs respectively & Profit before tax of Rs. 131 lakhs and Rs. 1240 lakhs respectively) and are therefore not comparable with results of previous periods.
- 4 The Company, through its subsidiary, Zensar Technologies Inc. entered into a Share Purchase Agreement dated August 8, 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 half year ended September 30, 2018 include the results of Indigo Slate (Revenue from operations of Rs. 2811 lakhs and Rs. 2811 lakhs respectively & Profit before tax of Rs. 640 lakhs and Rs. 640 lakhs respectively) and are therefore not comparable with results of previous periods.
- 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, 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.
- 6 Other Income (Net) for the quarter and half year ended September 30, 2018 includes foreign exchange gain of Rs. 3533 lakhs and Rs. 4781 lakhs respectively. (Corresponding previous period: net gain of Rs. 1480 lakhs and Rs. 2720 lakhs). Other Income (net) for the quarter ended June 30, 2018 includes net foreign exchange gain of Rs. 1248 lakhs.
- 7 During the half year ended September 30, 2018, the Company issued 20,000 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 80,130 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							(Rs. in Lakhs)
Particulars	Quarter ended			Half Year ended		Year Ended	
	30-Sep-2018	30-Jun-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	31-Mar-2018	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
Revenue from operations	34,918	34,283	32,286	69,200	62,617	128,581	
Profit before tax	10,779	7,944	7,991	18,723	12,770	25,678	
Net profit for the period	8,260	5,912	6,155	14,172	9,658	19,258	

- 9 The shareholders in their meeting dated August 08, 2018 have approved the final dividend for year ending March 31, 2018 of Rs. 7 per share.
- 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 statements.

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

Mumbai
Date: October 23, 2018

Sandeep Kishore
Managing Director & CEO
DIN:07393680