

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, 2019.

(Rs. in Lakhs)

Particulars	Quarter ended			Year Ended	
	31-Mar-2019	31-Dec-2018	31-Mar-2018	31-Mar-2019	31-Mar-2018
	Refer note 15		Refer note 15		
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Revenue from operations	105,741	103,555	81,473	396,633	310,774
2 Other income (net)	2,500	251	2,672	9,268	7,439
3 Total Income	108,241	103,806	84,145	405,901	318,213
4 Expenses					
a. Purchase of traded goods	3,330	4,343	2,240	11,538	13,376
b. Changes in inventories	2,340	1,577	1,476	7,278	5,433
c. Employee benefits expense	56,909	56,611	43,748	215,258	170,535
d. Subcontracting costs	16,167	17,476	12,227	63,302	40,040
e. Finance costs	1,102	1,089	505	3,729	2,267
f. Depreciation and amortisation expense	2,512	2,371	1,388	8,944	6,508
g. Other expenses	14,012	12,508	12,160	51,314	44,897
Total expenses	96,372	95,975	73,744	361,363	283,056
5 Profit before tax (3-4)	11,869	7,831	10,401	44,538	35,157
6 Tax expense					
a. Current tax	3,737	2,536	3,754	14,045	11,142
b. Deferred tax	(187)	(356)	(758)	(1,372)	(634)
7 Net Profit for the period (5-6)	8,319	5,651	7,405	31,865	24,649
8 Net Profit/(Loss) attributable to:					
- Owners	8,274	5,528	7,265	31,359	24,153
- Non-controlling interests	45	123	139	506	496
9 Other comprehensive income, net of income tax					
A. Items that will not be reclassified to profit or loss	(88)	(353)	132	(44)	685
B. Items that will be reclassified to profit or loss	640	(318)	1,618	403	1,194
Total other comprehensive income, net of income tax	552	(671)	1,750	359	1,879
10 Total comprehensive income for the period (7+9)	8,871	4,980	9,155	32,224	26,528
11 Total comprehensive income attributable to:					
- Owners	8,839	4,891	8,888	31,893	25,904
- Non-controlling interests	32	89	267	331	624
12 Paid-up equity share capital (Face value Rs. 2 each) (refer note 13 below)	4,504	4,502	4,499	4,504	4,499
13 Other equity excluding Revaluation Reserves as per balance sheet				189,732	162,391
14 Earnings Per Share (EPS) (Face value Rs. 2 each) (not annualised) (refer note 13 below):					
a) Basic	3.68	2.46	3.23	13.93	10.75
b) Diluted	3.62	2.41	3.20	13.70	10.64

Consolidated Segment wise Revenue & Results for the Year ended 31st March, 2019

Particulars	(Rs. in Lakhs)				
	Quarter ended			Year Ended	
	31-Mar-2019	31-Dec-2018	31-Mar-2018	31-Mar-2019	31-Mar-2018
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Segment Revenue					
Application Management Services	89,524	86,091	70,020	334,692	259,118
Infrastructure Management Services	16,217	17,464	11,454	61,941	51,656
Revenue From Operations	105,741	103,555	81,474	396,633	310,774
2 Segment Results Profit / (Loss) before tax and finance cost					
Application Management Services	12,410	10,891	9,845	46,602	38,638
Infrastructure Management Services	515	1,214	(72)	3,968	(599)
Total Segment Results	12,925	12,105	9,773	50,570	38,039
Less: Finance costs	1,102	1,089	505	3,729	2,267
Less: Unallocable expenditure net of unallocable income	(47)	3,185	(1,133)	2,302	615
Total Profit before Tax	11,869	7,831	10,401	44,538	35,157

Statement of Segment Assets & Liabilities		31-Mar-2019	31-Dec-2018	31-Mar-2018
		Audited	Unaudited	Audited
1	Segment Assets			
	Trade Receivables			
	Application Management Services	72,964	66,375	53,256
	Infrastructure Management Services	14,657	16,306	10,970
	Total Trade Receivables	87,621	82,681	64,226
	Inventories			
	Application Management Services	-	-	-
	Infrastructure Management Services	9,846	10,680	10,600
	Total Inventories	9,846	10,680	10,600
	Unbilled Revenue			
	Application Management Services	31,753	33,854	26,122
	Infrastructure Management Services	5,906	4,716	4,346
	Total Unbilled Revenue	37,659	38,570	30,468
	Goodwill			
	Application Management Services	41,728	41,873	24,716
	Infrastructure Management Services	18,582	18,747	17,518
	Total Goodwill	60,310	60,620	42,234
	Unallocable Assets	113,536	111,137	82,114
	TOTAL ASSETS	308,972	303,688	229,642
2	Segment Liabilities			
	Unearned Revenue			
	Application Management Services	5,677	5,094	6,001
	Infrastructure Management Services	3,747	2,602	3,277
	Total Unearned Revenue	9,425	7,696	9,278
	Unallocable Liabilities	103,616	108,510	52,109
	Total Liabilities	113,041	116,206	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 April 30, 2019.

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

Particulars	As at 31- Mar- 2019	As at 31- Mar- 2018
Assets		
Non-Current Assets		
(a) Property, Plant and Equipment	10,267	10,030
(b) Capital work-in-progress	556	228
(c) Goodwill	60,310	42,234
(d) Other Intangible assets	24,411	6,904
(e) Intangible assets under development	629	359
(f) Financial Assets		
i) Investments	6,982	14,440
ii) Other financial assets	3,262	2,330
(g) Income tax assets (net)	3,146	1,745
(h) Deferred tax assets (net)	4,468	3,095
(i) Other non-current assets	1,125	1,946
Total - Non-current assets	115,156	83,311
Current Assets		
(a) Inventories	9,846	10,600
(b) Financial Assets		
i) Investments	4,536	13,023
ii) Trade receivables	87,621	64,226
iii) Cash and cash equivalents	31,689	20,416
iv) Bank balances other than in (iii) above	899	271
v) Other financial assets	26,444	30,681
(c) Other current assets	32,781	7,114
Total - Current assets	193,816	146,331
Total - Assets	308,972	229,642
Equity And Liabilities		
Equity		
(a) Equity Share Capital	4,504	4,499
(b) Other Equity		
i. Reserves and surplus	187,430	160,512
ii. Other components of equity	2,302	1,879
Equity Attributable to Owners of the Company	194,236	166,890
Non controlling interests	1,696	1,365
Total - Equity	195,932	168,255
Non-Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	10,221	595
ii) Other financial liabilities	6,084	6,201
(b) Provisions	209	88
(c) Employee benefit obligations	1,457	1,496
Total - Non-Current Liabilities	17,971	8,380
Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	15,560	-
ii) Trade payables	30,095	18,393
iii) Other financial liabilities	25,351	16,149
(b) Employee benefit obligations	5,692	4,549
(c) Other current liabilities	14,422	12,231
(d) Current tax liabilities (Net)	3,949	1,685
Total - Current Liabilities	95,069	53,007
Total - Equity And Liabilities	308,972	229,642

- 3 The Group 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 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 Rs. 20,150 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 year ended March 31, 2019 include the results of Cynosure Group (Revenue from operations of Rs. 5,297 lakhs and Rs. 17,512 lakhs respectively & Profit before tax of Rs. 1,659 lakhs and Rs. 4,580 lakhs respectively) and are therefore not comparable with results of previous periods.
- 4 The Group, 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. 18,522 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 year ended March 31, 2019 include the results of Indigo Slate (Revenue from operations of Rs. 4,797 lakhs and Rs. 12,189 lakhs respectively & Profit before tax of Rs. 571 lakhs and Rs. 2,041 lakhs respectively) and are therefore not comparable with results of previous periods.
- 5 The Parent, during the year, has sold 100% of its equity stake in Zensar Information Technologies Limited and Zensar Software Technologies Limited for a sale consideration of Rs. 485 lakhs and Rs. 436 lakhs, respectively, receivable upfront and deferred consideration of an amount upto Rs. 265 lakhs and Rs. 349 lakhs respectively, subject to realisation of trade receivables over a period of 1 year.
The above mentioned sale has been consummated in January 2019.
- 6 The Parent, during the year, has entered into a business transfer agreement to transfer certain customer contracts and employees related liability for a sale consideration of Rs. 853 lakhs (USD 1.20 million) receivable upfront and deferred consideration of an amount upto Rs. 930 lakhs (USD 1.34 million) subject to novation of customer contracts over a period of 6 months.
- 7 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.
- 8 Other Income (Net) for the quarter and year ended March 31, 2019 includes foreign exchange gain/(loss) of Rs. (194) lakhs and Rs. 2,899 lakhs respectively. (Corresponding previous period: net gain of Rs. 1900 lakhs and Rs. 4652 lakhs). Other Income (net) for the quarter ended December 31, 2018 includes net foreign exchange gain/(loss) of Rs. (1688) lakhs.
- 9 During the year ended March 31, 2019, the Parent issued 40,750 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 193,730 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					
(Rs. in Lakhs)					
Particulars	Quarter ended			Year Ended	
	31-Mar-2019	31-Dec-2018	31-Mar-2018	31-Mar-2019	31-Mar-2018
	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenue from operations	35,269	32,539	34,118	137,008	128,581
Profit before tax	10,063	4,565	7,717	33,351	25,678
Net profit for the period	8,291	3,337	5,770	25,800	19,258

- 11 The board of directors in their meeting on January 21, 2019 declared an interim dividend of Rs. 1.00 Per equity share.
In addition, the Board of Directors in their meeting held on April 30, 2019 have recommended a final dividend of Rs. 1.80 Per equity share, subject to the approval of shareholders.
- 12 During the year ended March 31, 2019, Group reversed contingent consideration payable on business combinations consummated in previous year amounting to GBP 1.7 million [Rs. 1,564 lakhs] based on company's assessment, being no longer payable. This reversal is accounted under other income.
- 13 Shareholders 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.
- 14 Effective April 1, 2018, the Group 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.
- 15 Figures for the quarter ended March 31, 2019 and March 31, 2018 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 on behalf of the Board

Mumbai
Date: April 30, 2019

Sandeep Kishore
Managing Director & CEO
DIN:07393680