

May 26, 2020

BSE Limited

Corporate Service Department,
01st Floor, P. J. Towers,
Dalal Street,
Mumbai 400 001

Fax: (022) 2272 2039/2272 3121

Scrip ID: ZENSARTECH

Scrip Code: 504067

The National Stock Exchange of India Ltd.

Exchange Plaza, 03rd floor,
Plot No. C/1, 'G' block,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051

Fax: (022) 26598237/26598238

Symbol: ZENSARTECH

Series: EQ

Sub: Typo error in Financial Results submitted on May 14, 2020, for the period ended March 31, 2020.

Reference to the captioned subject, it has come to our notice that there were typographical errors in the Annexure I to the Consolidated Financial Results submitted by the Company, on May 14, 2020, as explained below:

- The amount of Rs 3,175 lakhs appearing against Unrealised exchange (gain) / loss (net) in the cash flow statement, should be read as Rs 1,544 lakhs.
- The amount of Rs 3,528 lakhs appearing against (Increase)/ decrease in other non-current financial assets in the cash flow statement, should be read as Rs 207 lakhs.
- The amount of Rs 3,240 lakhs appearing against (Increase)/decrease in other current financial assets in the cash flow statement, should be read as Rs 2,272 lakhs.
- The amount of Rs 1,483 lakhs appearing against Payment of lease liabilities in the cash flow statement, should be read as Rs 7,817 lakhs.

The Financials with correct number and signed by Mr Sandeep Kishore, MD & CEO of the Company are attached for your reference and records.

The said results will also be available on the website of the Company viz., www.zensar.com. Kindly take the same on record and we regret the inconvenience due to this inadvertent error.

Thanking you,

Yours sincerely,

For Zensar Technologies Limited



Gaurav Tongia
Company Secretary



Encl.: As above

Zensar Technologies Limited
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India
Statement of Consolidated Results for the Quarter and Year ended March 31, 2020

(INR Lakhs)

Particulars	Quarter Ended			Year Ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Refer note 10		Refer note 10		
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Revenue from operations	101,779	102,059	105,741	418,168	396,633
2 Other income (net)	1,611	3,959	2,500	8,842	9,268
3 Total Income	103,390	106,018	108,241	427,010	405,901
4 Expenses					
a. Purchase of traded goods	2,447	5,576	3,330	15,250	11,538
b. Changes in inventories	1,517	686	1,504	3,089	4,399
c. Employee benefits expense	56,523	59,635	56,909	234,743	215,258
d. Subcontracting costs	15,501	16,644	17,003	65,881	66,181
e. Finance costs	1,718	1,274	1,102	6,051	3,729
f. Depreciation, amortisation and impairment expense	4,154	4,119	2,512	15,918	8,944
g. Other expenses	11,629	12,557	14,012	48,499	51,314
Total expenses	93,489	100,491	96,372	389,431	361,363
5 Profit before tax (3-4)	9,901	5,527	11,869	37,579	44,538
6 Tax expense					
a. Current tax	1,981	1,665	3,737	10,131	14,045
b. Deferred tax	720	(256)	(187)	288	(1,372)
7 Net Profit for the period (5-6)	7,200	4,118	8,319	27,160	31,865
8 Net Profit/(Loss) attributable to:					
- Owners	6,951	3,953	8,274	26,342	31,359
- Non-controlling interests	249	165	45	818	506
9 Other comprehensive income/(loss), net of income tax					
A. Items that will not be reclassified to profit or loss	(1,880)	90	(88)	(2,206)	(44)
B. Items that will be reclassified to profit or loss	1,632	1,977	640	2,382	403
Total other comprehensive income/(loss), net of income tax	(248)	2,067	552	176	359
10 Total comprehensive income for the period (7+9)	6,952	6,185	8,871	27,336	32,224
11 Total comprehensive income attributable to:					
- Owners	6,943	5,905	8,839	26,668	31,893
- Non-controlling interests	9	280	32	668	331
12 Paid-up equity share capital (Face value INR 2 each)	4,508	4,507	4,504	4,508	4,504
13 Other equity excluding Revaluation Reserves as per balance sheet				204,491	189,732
14 Earnings Per Share (EPS) (Face value INR 2 each) (not annualised):					
a) Basic	3.08	1.75	3.68	11.69	13.93
b) Diluted	3.04	1.73	3.62	11.53	13.70



Statement of Assets & Liabilities

(INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Assets	
Non-Current Assets		
(a) Property, Plant and Equipment	12,940	10,267
(b) Right of use assets	32,649	-
(c) Capital work-in-progress	180	556
(d) Goodwill	64,658	60,310
(e) Other Intangible assets	22,020	24,411
(f) Intangible assets under development	957	629
(g) Financial Assets		
i) Investments	1,142	6,982
ii) Other financial assets	6,798	3,262
(h) Income tax assets (net)	6,064	3,146
(i) Deferred tax assets (net)	4,966	4,468
(j) Other non-current assets	1,419	1,125
Total - Non-current assets	153,793	115,156
Current Assets		
(a) Inventories	9,412	9,846
(b) Financial Assets		
i) Investments	26,704	4,536
ii) Trade receivables	66,564	87,621
iii) Cash and cash equivalents	48,834	31,689
iv) Bank balances other than in (iii) above	2,823	899
v) Other financial assets	29,762	26,444
(c) Other current assets	21,663	32,781
Total - Current assets	205,762	193,816
Total - Assets	359,555	308,972
Equity And Liabilities		
Equity		
(a) Equity Share Capital	4,508	4,504
(b) Other Equity		
i. Reserves and surplus	201,118	187,430
ii. Other components of equity	3,373	2,302
Equity Attributable to Owners of the Company	208,999	194,236
Non controlling interests	2,370	1,696
Total - Equity	211,369	195,932
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	6,537	10,221
ii) Lease liabilities	31,293	-
iii) Other financial liabilities	4,599	6,084
(b) Provisions	263	209
(c) Employee benefit obligations	1,554	1,457
Total - Non-Current Liabilities	44,246	17,971
Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	22,321	15,560
ii) Trade payables	26,497	30,095
iii) Lease liabilities	10,577	-
iv) Other financial liabilities	22,825	25,351
(b) Employee benefit obligations	8,325	5,692
(c) Other current liabilities	8,485	14,422
(d) Income tax liabilities (net)	4,910	3,949
Total - Current Liabilities	103,940	95,069
Total - Equity And Liabilities	359,555	308,972

Consolidated Segment wise Revenue & Results for the Year ended March 31, 2020

Particulars	(INR Lakhs)				
	Quarter Ended			Year Ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Segment Revenue					
Application Management Services	85,231	85,740	89,524	351,518	334,692
Infrastructure Management Services	16,548	16,319	16,217	66,650	61,941
Revenue From Operations	101,779	102,059	105,741	418,168	396,633
2 Segment Results (Profit / (Loss) before tax and finance cost)					
Application Management Services	12,710	6,201	12,410	46,983	46,602
Infrastructure Management Services	2,081	2,820	515	8,036	3,968
Total Segment Results	14,791	9,021	12,925	55,019	50,570
Less: Finance costs	1,718	1,274	1,102	6,051	3,729
Less: Unallocable expenditure net of unallocable income	3,172	2,220	(46)	11,389	2,303
Total Profit before Tax	9,901	5,527	11,869	37,579	44,538



Statement of Segment Assets & Liabilities		31-Mar-2020	31-Dec-2019	31-Mar-2019
		Audited	Unaudited	Audited
1	Segment Assets			
	Trade Receivables			
	Application Management Services	55,212	65,935	72,964
	Infrastructure Management Services	11,352	14,061	14,657
	Total Trade Receivables	66,564	79,996	87,621
	Inventories			
	Application Management Services	-	-	-
	Infrastructure Management Services	9,412	9,524	9,846
	Total Inventories	9,412	9,524	9,846
	Unbilled Revenue			
	Application Management Services	34,325	34,723	31,753
	Infrastructure Management Services	4,578	5,401	5,906
	Total Unbilled Revenue	38,903	40,124	37,659
	Goodwill			
	Application Management Services	44,326	42,818	41,728
	Infrastructure Management Services	20,332	19,182	18,582
	Total Goodwill	64,658	62,000	60,310
	Unallocable Assets	180,018	166,594	113,536
	TOTAL ASSETS	359,555	358,238	308,972
2	Segment Liabilities			
	Unearned Revenue			
	Application Management Services	2,041	9,182	5,677
	Infrastructure Management Services	2,440	2,047	3,747
	Total Unearned Revenue	4,481	11,229	9,424
	Unallocable Liabilities	143,704	134,517	103,616
	Total Liabilities	148,186	145,746	113,040

Notes :

- 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 May 14, 2020.
- Consolidated Statement of Cash flows is attached in Annexure I.
- 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 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 Info Technologies (Singapore) Pte Limited, Zensar IT Services Limited, Cynosure Inc, Cynosure Interface Services Private Limited, Cynosure APAC Pty Ltd, Keystone Logic Mexico, S. DE R.L. DE C.V, Keystone Technologies Mexico, S. DE R.L. DE C.V, Indigo Slate Inc, Zensar Technologies GmbH and Zensar Technologies (Canada) Inc.
- Other Income (Net) for the quarter and year ended March 31,2020 includes net foreign exchange gain of INR 668 lakhs and INR 4,484 lakhs respectively. (Corresponding previous period: Other Income (Net) of INR (194) lakhs and INR 2,899 lakhs). Other Income (net) for the quarter ended December 31, 2019 includes net foreign exchange gain of INR 1,015 lakhs.
- During the year ended March 31, 2019, the Parent concluded the sale of two subsidiaries and transfer of customer contracts and employee related liability under a Business Transfer Agreement. Gain arising from such transaction INR 1,941 lakhs was recognized under Other Income during the quarter and year ended March 31, 2019.
- During the year ended March 31, 2020, the Company issued 22,000 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 210,050 equity shares under "2006 ESOP" stock option plan.
- 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	Quarter Ended			Year Ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenue from operations	35,299	32,914	35,269	137,030	137,008
Profit before tax	9,491	6,588	10,063	30,410	33,351
Net profit for the period	7,056	4,861	8,291	23,104	25,800

- The Board of directors in its meeting on January 23, 2020 and March 6, 2020 declared an interim dividend of INR 1.00 and INR 1.80 per equity share respectively.
- Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the "Modified Retrospective Approach" and has taken the cumulative adjustment to retained earnings on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of adoption as on transition date has resulted in recognition of Right of use asset of INR 23,810 lakhs and a corresponding lease liability of INR 24,630 lakhs. The cumulative effect of applying the standard resulted in INR 579 lakhs being debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit and earnings per share for the year ended March 31, 2020. In respect of leases that were classified as finance leases, applying Ind AS 17, an amount of INR 489 lakhs has been reclassified from property, plant and equipment to right-of-use assets. An amount of INR 326 lakhs has been reclassified from other current financial liabilities to lease liability - current and an amount of INR 319 lakhs has been reclassified from borrowings - non-current to lease liability - non-current.
- Figures for the quarter ended March 31, 2020 and March 31, 2019 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.
- During the quarter ended December 31, 2019, Company reversed contingent consideration payable on business combinations consummated in previous year amounting to USD 3.6 million [INR 2568 lakhs] based on company's assessment, being no longer payable. This reversal is accounted under other income.
- The Company has given due consideration of the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In assessing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information, including credit reports and related information on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used, and based on current estimates, is of the view that the carrying amount of these assets reflect their realisable values. The Company is actively managing its business to respond to its impact. However, there could be an adverse impact on the business, result of operations, financial position and cash flows; the company believes that the impact is likely to be mitigated by the diversified nature of the company's clients, including the geographical spread of the company's operations, and its clientele. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

For and on behalf of the Board



Sandeep Kishore

Sandeep Kishore
Managing Director & CEO
DIN:07393680

Zensar Technologies Limited
Consolidated Statement of Cash Flows

Annexure I

(INR Lakhs)

Particulars	Year Ended	Year Ended
	31-Mar-20	31-Mar-19
	Audited	Audited
Cash flow from operating activities		
Profit before taxation	37,579	44,538
Adjustments for:		
Depreciation, amortisation and impairment expense	15,918	8,944
Employee share based payment expense	645	1,652
Profit on sale of investments (mutual funds)	(1,409)	(2,796)
Change in fair value of equity instruments	-	(196)
Changes in fair value of financial assets/liabilities measured at fair value through profit and loss	683	2,004
Profit on Sale of Business/subsidiaries	-	(1,941)
Interest income	(512)	(545)
Finance costs	5,167	2,951
(Profit)/Loss on sale of tangible assets (net)	(5)	9
Provision for doubtful debts and advances (net)	(1,749)	2,368
Bad debts written off	4,357	1,174
Provision no longer required and credit balances written back	(2,581)	(2,391)
Unrealised exchange (gain) / loss (net)	(1,544)	(83)
	18,970	11,150
Operating profit before working capital changes	56,549	55,688
Change in operating assets and liabilities		
(Increase)/ decrease in other non-current financial assets	207	(700)
(Increase)/ decrease in other non-current assets	(536)	1,113
(Increase)/ decrease in inventories	434	754
(Increase)/decrease in trade receivables	24,009	(27,566)
(Increase)/decrease in other current financial assets	(2,272)	8,100
(Increase)/ decrease in other current assets	11,128	(25,191)
Increase/(decrease) in other non-current financial liabilities	83	(557)
Increase/(decrease) in non-current provisions	54	121
Increase/(decrease) in non-current employee benefit obligations	97	(39)
Increase/(decrease) in trade payables	(3,262)	11,482
Increase/ (decrease) in other current financial liabilities	(1,705)	4,092
Increase/ (decrease) in current employee benefit obligations	1,259	1,221
Increase/ (decrease) in other current liabilities	(5,956)	948
Cash generated from operations	80,089	29,466
Income taxes paid (net of refunds)	(11,467)	(13,864)
Net cash inflow from operating activities	68,622	15,602
Cash flow from investing activities		
Purchase of tangible/intangible assets including capital work in progress	(7,818)	(5,242)
Payment of Earnout to Subsidiaries	(5,970)	(3,179)
Acquisition of Company	-	(34,171)
Profit on Sale of Business/subsidiaries	-	1,768
Proceeds from sale of tangible/intangible assets	9	68
Fixed Deposits placed	(2,554)	(615)
Fixed Deposits redeemed	667	-
Purchase of investments (Mutual Funds)	(121,530)	(79,121)
Sale of investments (Mutual Funds)	105,147	95,202
Sale of Non Convertible Debentures	-	814
Interest income received	522	366
Net cash used in investing activities	(31,527)	(24,110)
Cash flow from financing activities		
Proceeds from issue of equity shares	152	140
Dividend on equity shares and tax thereon	(11,974)	(6,333)
Interest paid	(1,184)	(1,339)
Payment of lease liabilities	(7,817)	-
Proceeds from long-term borrowings	-	13,067
Repayment of long-term borrowings	(4,173)	(290)
Proceeds from short-term borrowings	28,237	23,278
Repayment of short-term borrowings	(22,920)	(8,433)
Net cash used in financing activities	(19,679)	20,090
Effect of exchange differences on translation of cash and cash equivalents	39	-
Increase in Cash and Cash Equivalents on Acquisition	-	1,530
Decrease in Cash and Cash Equivalents on disposal of subsidiaries	-	(288)
Net increase/(decrease) in cash and cash equivalents	17,455	12,824
Cash and cash equivalents at the beginning of the year	31,379	18,555
Cash and cash equivalents at the end of the year	48,834	31,379

