Registered Office : Zensar Technologies Limited Zensar Knoewledge Park, Plot No. 4, MIDC Kharadi,
Off Nagar Road, Pune 411014, India. Tel: +91 (20) 6607 4000, 27004000 Fax: +91 (20) 6605 7888, CIN: L72200PN1963PLC012621

July 8, 2019

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: Notice of 56th AGM and Annual Report FY 2018-19 of the Company

This is to inform you that the 56th Annual General Meeting of the members of the Company is scheduled to be held on Monday, August 05, 2019 at 12.00 noon at Zensar Knowledge Park, Plot # 4, MIDC, Kharadi, Off Nagar Road, Pune - 411 014 Maharashtra, India

Pursuant to Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations, please find enclosed herewith Annual Report for FY 2018-19 along with the Notice of 56th AGM which is being dispatched/sent to the members through permitted mode.

The same will also be available on the website of the Company at www.zensar.com

Kindly take the same on your records.

Thanking you,

Yours sincerely,

For **Zensar Technologies Limited**

ZENSAR TECHNOLOGIES LTD. PUNE-14.

Gaurav Tongia
Company Secretary

Encl.: As above

ZENSAR TECHNOLOGIES LIMITED
ANNUAL REPORT 2018-19

Zensar

Return on Digital®

With New and Exponential Technologies

RoD NeXT

RPG

About RPG Group

Established in 1979, the RPG Group is a diversified conglomerate with interests in the areas of infrastructure, tyres, information technology, pharmaceuticals, energy and plantations. Founded by Dr. R P Goenka, the group's lineage dates back to the early 19th century. Today, the group has several companies in diverse sectors predominantly Zensar Technologies, CEAT, KEC International, and RPG Life Sciences. Built on a solid foundation of trust and tradition, the RPG name is synonymous with steady growth and high standards of transparency, ethics and governance.

hello **happiness**

Last year, we launched the RPG group's new brand tagline – 'hello happiness', which is now an integral part of our group's ethos. Our Vision tenets clearly outline the path we all collectively traverse – one that seeks to propel every RPGian to overcome their own limitations; one that drives each one of us to contribute and shape the lives of others around us positively; an organization where dreams will not be constrained by fences. The smiley signifies 'THAT' happiness which is within our grasp and is the culmination of our Vision tenets captured in our tagline. 'hello happiness' is a bold statement that helps us open our doors to a world of opportunities and possibilities; a statement that signifies our intent to touch and enrich the lives of others.

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Return on Digital®

The pace of change in today's world is both relentless and overwhelming. As companies continue to tread the path of transformational digital journeys, the need for delivering high-end digital solutions, becomes both formidable and challenging.

We at Zensar, are committed to providing innovative and customer-centric digital solutions that shall enable businesses to actively pursue their goal of being radically progressive and avant-garde. With a motive to help companies unlock their digital vision and transform themselves into dynamic business organisations, Zensar's core operational strategy is aligned with its mission of generating exponential value.

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ZENSAR AT A GLANCE

NOTICE AND STATUTORY REPORTS

FINANCIAL STATEMENTS

Zensar in brief

We are a 'Living' digital and technology company, offering reliable and measurable digital solutions that help transform the digital environment of enterprises. We are a part of USD 3.4+ billion RPG Enterprises Group and the USD 40 billion APAX Portfolio Company. Zensar Technologies is one of the only five technology companies globally to be publicly listed (BSE) for over 55+ years.

Our Vision

Leaders in business transformation

Our Mission

We will be the best in delivering innovative, industry focused solutions with measurable business outcomes

We will partner with customers for their success

Our Values

Customer-centricity, commitment to people and the community, continuous innovation and excellence

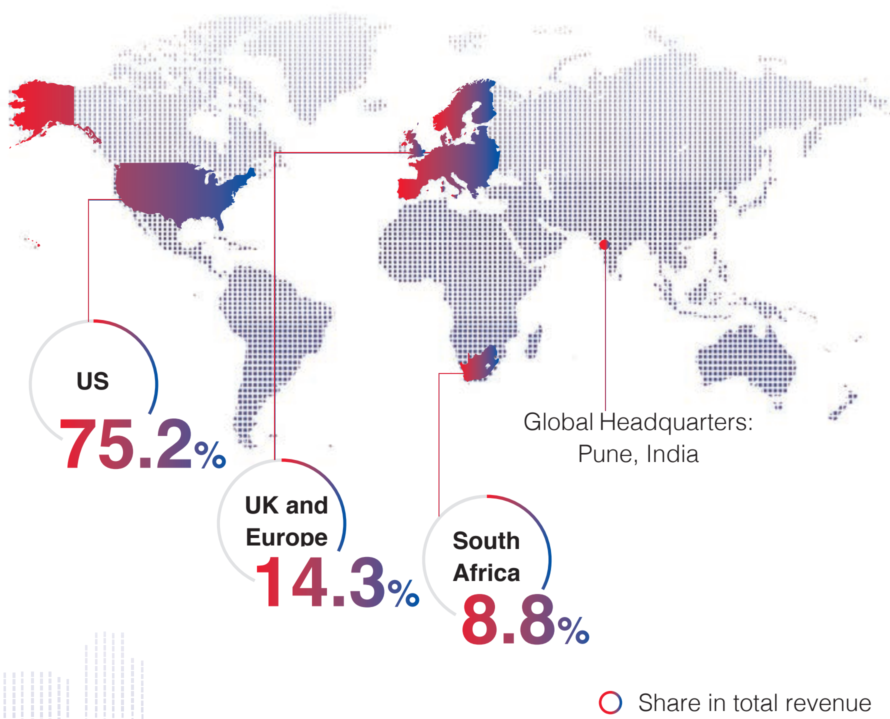
Company profile

Trusted and reliable, Zensar Technologies Limited is a leading digital solutions and technology services company that specialises in partnering with global organisations across industries on their Digital Transformation journey.

In sync with the current scenario of modern and dynamic business environments, where digital solutions and technologies continue to play an integral role, Zensar's approach with regard to its Return on Digital ® with New and Exceptional Technologies (RoD NeXT), offers its customers a plethora of innovative digital solutions that are quantifiable and sustainable.

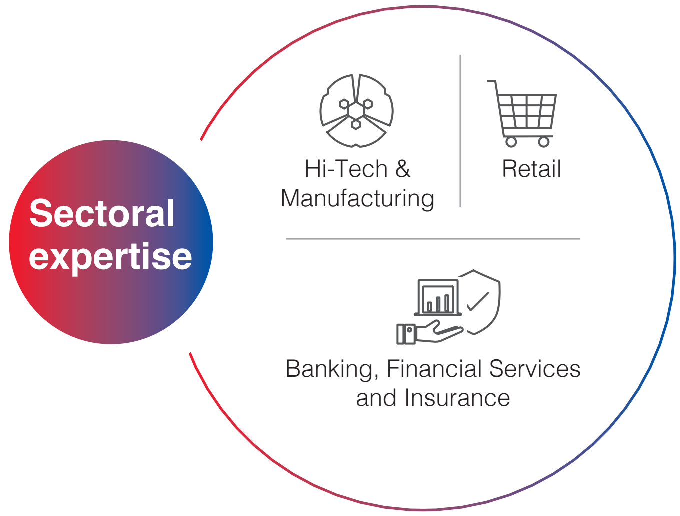
Our modern-day solutions and services, fundamental to the essence of our digital eco-system, form the core of Zensar's future growth prospects. With RoD NeXT, we shall continue to launch several ingenious digital tools for enterprises in our key operating markets, and therefore stay relevant and appealing, by providing critical solutions to our customers that shall help in the growth of their businesses.

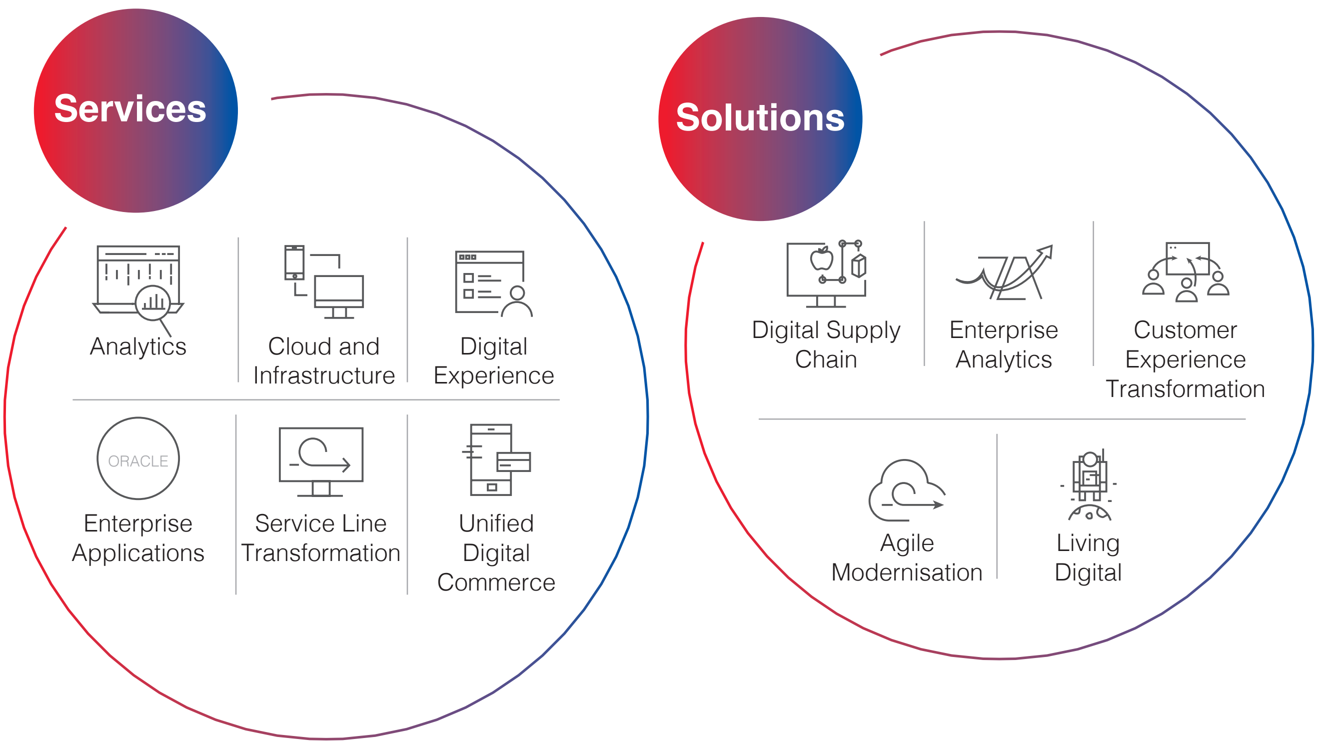
Market presence



Our portfolio

Our portfolio is distinguished and assorted, which includes an extensive range of advanced services and solutions. We cater to clients across a variety of industry verticals, providing them with Return on Digital® on their investments. Using the expertise of leading global innovative technological practices to their fullest potential, across various platforms ranging from analytics, cloud to network transformation, smart platforms and other mediums, we develop a crucial and noteworthy business impact for our customers.





Zensar in numbers

10,000+
Number of employees as on March 31, 2019

25+
Number of offices across the globe

10+
Countries of presence

200+
Number of members at Zenlabs

Year under review

Q01

- Awarded a four year, multi-million dollar contract from the City of San Diego for network services
- Sponsored Oracle Industry Connect in New York City to showcase Zensar's Oracle Retail and Cloud solutions
- Launched its first customer delivery centre in Research Triangle Park (RTP) Raleigh, North Carolina
- Launched its second Innovation hub - 'Zenlabs' in Hyderabad, India
- Extended the partnership with Pegasystems to provide solutions in areas of digital process automation (DPA), robotic process automation (RPA), robotic desktop automation (RDA), and customer engagement
- Honoured by Skillsoft and SumTotal as an Innovation Award winner in 'Creating an Impact-IT Skills' category at their India Perspectives 2018 Conference
- Showcased innovative new solutions at the Tech Pavilion at Pega's Annual User Conference, Pegaworld 2018, Las Vegas, NV

Q02

- Acquired US West Coast based Indigo Slate, a digital marketing focused customer experience agency
- Partnered with the Ocean Discovery Institute (ODI) to help fund STEM initiatives in the San Diego region
- Partnered with Education South Africa to sponsor 10 students from the region as a part of its Socio-Economic Development Programme, focused on transforming lives
- Signed a Global OEM partnership with PTC – one of the leading IoT platforms globally
- Launched a 3-in-1 insurance module, custom data module designed for the insurance industry, developed leveraging Salesforce Community Cloud
- Selected as IT transformation partner by Ruffer LLP to help enhance its 'client first' approach

Q03

- Cynosure, a Zensar company, was a lead sponsor at Guidewire 'Connections 2018' Annual User Conference
- Recognised as one of the '100 Best Companies for Women in India (BCWI)' in 2018
- Showcased End-to-End Cloud Solutions Portfolio and Agile IT Automation at AWS re:Invent 2018
- Rated as a Leader in Zinnov Zones Digital Services in Retail 2018
- Won People Matters L&D Award for 'Best in Future Tech Skill Building'
- Selected as IT Infrastructure Partner by European Bank for Reconstruction and Development (EBRD), UK

Q04

- Divested its Australia, Middle East and India based businesses to focus and invest in the core markets of US, Europe and South Africa
- Filed more than 55 patents by Zenlabs, Zensar's in-house innovation hub, focusing on ideas including better workplaces, indoor navigation, predictive systems and more
- Named as IT Transformation Partner for Vyaire Medical, a global leader in respiratory care
- Featured in 'User First' Digital Workplace Services at the ISG Future Workplace Summit 2019, enabling Return on Digital® NeXT through AI and UX led Workplace Solutions

Key figures

Zensar's ability to remain agile and efficient continues to be a key differentiator in today's competitive and fast-growing IT landscape. In FY19, we completed yet another year, marked by significant business momentum in our digital business, achieving growth in key markets and increasing deal-size with existing and new clients.

Revenue (Rs. Million)

17-18 31,077

18-19 **39,663**

EBIDTA (Rs. Million)

17-18 3,729

18-19 **4,928**

PAT (Rs. Million)

17-18 2,415

18-19 **3,136**

Market Capitalisation
(Rs. Million) as on 31st March, 2019

17-18 40,525

18-19 **51,796**

327

Active customers

33 years

Average age of employees

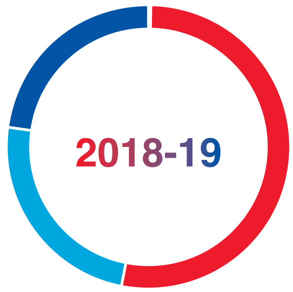
250+ years

Cumulative experience of the leadership team

20+

No. of technology partners

Revenue by sector



51.3% Hi-Tech & Manufacturing

23.2% Banking, Financial Services and Insurance

22.2% Retail

Intellectual capital

- A strong workforce of bright and talented individuals
- Adaptive to rapidly changing industry dynamics and cultivating a culture of innovation
- Regular training and skill development programmes throughout the value chain of HR processes

Innovation and excellence

- Best-in-class technologies implemented to help us become a 100% Living Digital entity
- Zenlabs' innovative ideas and patents add unique, distinctive capabilities
- First to market in several digital transformation tools

Global presence

- Over 10,000 associates in 25+ offices across the US, UK and South Africa form a global workforce
- Strategic acquisitions in these countries have resulted in new client additions

Capitalising on emerging opportunities

- Gaining market presence by strengthening services and solutions in digital transformations
- Partnering with leading technology innovators to create customised digital transformation offerings

Our capabilities

Chairman's Message

Zenlabs, that was launched two years ago continues to be our innovation vehicle. With 55+ unique patents filed, Zenlabs is playing a significant role in helping Zensar differentiate itself against competition.

Dear Shareholders,

As we embrace the new financial year and pause to reflect on the achievements of FY19, I feel both proud and hopeful. Over the past few years, Zensar has been on a transformational journey and is now speeding along the Digital expressway.

As a 'Living Digital' company premised on the strategy of Return on Digital®, we have taken a leap forward and launched the next level of disruptive solutions through Return on Digital ® With New and Exponential Technologies (RoD NeXT). The many large deals that we have won, including a $ 100 Mn win in FY19, are a testimony to our capabilities and a demonstration of our strength in the global digital technology services and solutions market. Zenlabs, that was launched two years ago continues to be our innovation vehicle. With 55+ unique patents filed, Zenlabs is playing a significant role in helping Zensar differentiate itself against competition.

We have further expanded our market reach by leveraging the capabilities of our strategically acquired entities; Cynosure, Foolproof, and Keystone Logic. Now as part of Zensar, they continue to grow, deliver and demonstrate consistent performance. I am now pleased to share that with our latest acquisition of Indigo Slate, Zensar's digital portfolio of offerings have expanded further, making our solutions more robust and comprehensive.

This transformation is also evident in the financial performance of FY19. The winning momentum has been broad based and all the regions – US, UK and South Africa, have performed well. Zensar as a company continues to deliver profitable growth and significant business impact for its clients.

With several market analysts covering us, industry analysts tracking us and leading industry associations recognising us, Zensar has emerged as an innovative and respected member of the global IT industry. We are well poised to continue to create value for our customers, shareholders, partners and associates.

H. V. Goenka
Chairman

CEO’s Message

We have significantly enhanced our capabilities and strengthened our portfolio of offerings across the markets of USA, UK and SA, both organically and through acquisitions.

Dear Shareholders,

I am pleased to share that FY19 has been a fantastic and an exciting journey for us Zensarians, both in terms of business growth and in terms of scaling our own solutions and capabilities to the next level.

In our commitment to stay relevant to our customers in a competitive and radically changing business landscape, we had embarked on a Living Digital journey, shaped around the strategy of Return on Digital®, three years ago. A year back, as we continued to move ahead with the same vigour and commitment, we took our digital story a notch further and introduced Return on Digital® With New and Exponential Technologies (RoD NeXT) based on the tenets of Artificial Intelligence, Smart Platforms and Human Experience. We have now been leveraging RoD NeXT as the key differentiator for Zensar in the market to deliver relevant growth at scale and this has created significant market momentum. Our digital strategy has also helped us to influence large deals and Digital now contributes to over 44% of Zensar's revenue, the 2nd highest in the industry.

Adding to our offerings portfolio is Zenlabs, which is on the verge of a global expansion, and continues to grow and innovate. With 86 total patents and 55 unique patents filed in areas of Artificial Intelligence, Blockchain, IOT, Conversational AI, Computer Vision and Augmented Reality, Zenlabs continues to be our epicentre for innovation and is now a co-innovation partner with several of our key customers.

Our success is also evident from the significant large deals that we have won in FY19, amounting to $750 mn in TCV wins. It includes a $100 mn win with a Global 500 Diversified Brand, two $50 mn wins with a Tier 1 Retailer and a Tier 2 Insurer respectively, $40 mn win with a Fortune 500 Technology Leader and a $30 mn win with a Global Financial Services company. Through all these wins, Zensar has been able to acquire new logos in its focused segments of Retail, Hi-Tech Manufacturing and BFSI, anchored on our solutions, ranging from Digital Ops, Network Transformation, Digital Workplace Services, Cloud & Digital Enterprise Security, among others.

We have significantly enhanced our capabilities and strengthened our portfolio of offerings across the markets of USA, UK and SA, both organically and through acquisitions. Our digital focus has enabled us to win in these regions, where customers are heavily investing in intelligent solutions to deliver business value across Retail, Hi-Tech and Manufacturing and BFSI segments. The latest acquisition being that of Indigo Slate in the US - an experience and digital marketing agency. Indigo Slate specialises in delivering strategic human experience by utilising its strong marketing capabilities for large customers. Their expertise integrated with Foolproof and Zensar's digital engineering capability, will enable Zensar to provide end-to-end human experience led digital transformation to its customers, globally.

With a combination of niche capabilities of our acquired entities like Cynosure, Foolproof, Keystone Logic and now Indigo Slate, along with Zensar's scale of operations and digital expertise, we are confident that we would be able to engage in many more multi-million, multi-year partnerships with our customers.

None of this is possible without best-in-class practices and processes, which would support our associates, the greatest drivers of our growth. Zensar not only has had strong award-winning HR practices, but it has also used Digital to transform the experience of its own associates. Our HR has been recognised at multiple forums globally. The most recent being, People Matters Awards for 'Best in Creating Future Technical Skills' and also the recognition from SkillSoft and SumTotal for our People Practices.

Thus, with our growing capabilities across the digital landscape, our disciplined operational edge, our adept and dynamic leadership team along with a family of 10,000+ Zensarians and the belief that our shareholders have on us, we are confident that Zensar would continue to add value in the years to come.

Sandeep Kishore
Chief Executive Officer and
Managing Director

Board of Directors

Standing: left to right

- **Anant Goenka**
  Non-Executive, Non-Independent Director
- **Ben Druskin**
  Independent Director
- **Sandeep Kishore**
  Chief Executive Officer & Managing Director
- **Shashank Singh**
  Non-Executive, Non-Independent Director
- **Harsh Mariwala**
  Independent Director
- **Sudip Nandy**
  Independent Director
- **Ketan Dalal**
  Independent Director

Sitting: left to right

- **Tanuja Randery**
  Independent Director
- **Venkatesh Kasturirangan**
  Independent Director
- **H. V. Goenka**
  Chairman,
  Non-Executive Non-Independent Director
- **A.T. Vaswani**
  Independent Director
- **Arvind Agrawal***
  Non-Executive, Non-Independent Director

*As on Mar 31, 2019

Leadership Team

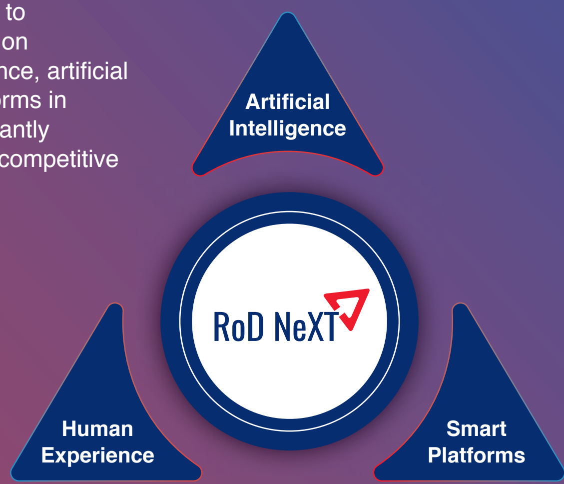
From top: left to right

- **Sandeep Kishore**
  CEO & MD, and Management Board Member, RPG Enterprises
- **Malay Verma**
  Executive Vice President and Head, Retail and BFSI
- **Venky Ramanan**
  Executive Vice President and Head, Hi-Tech and Manufacturing
- **Harjott Atrii**
  Executive Vice President and Head, Cloud and Infrastructure Services
- **Harish Lala**
  Senior Vice President and Head, Africa
- **Chaitanya Rajebahadur**
  Senior Vice President and Head, Europe
- **Ajay Bhandari**
  Executive Vice President and Chief Corporate Development Officer
- **Prameela Kalive**
  Executive Vice President and Head, Applications and Digital Solutions
- **Harish Gala**
  Executive Vice President, Strategic Programmes
- **Sanjeev Malik**
  Senior Vice President and Head, Digital Consulting
- **Navneet Khandelwal**
  Senior Vice President and Chief Financial Officer
- **Vivek Ranjan**
  Senior Vice President and Chief Human Resource Officer

Return on Digital®
With New and Exponential Technologies

Powered by our ability to adapt, we at Zensar, develop pioneering technologies that help enterprises to remodel effortlessly and shift gears seamlessly to increase their business productivity and efficiency. Our digital platforms are built and integrated to render businesses an ingenious and innovative edge over their competitors.

RoD NeXT builds on the success and capabilities of the RoD framework and extends the platform, leveraging exponential technologies providing almost magical experiences to the stakeholders. It focuses on establishing human experience, artificial intelligence and smart platforms in client organisations to constantly create disruptive impact for competitive advantage.



Human Experience

RoD NeXT solutions present superior UI and frictionless UX integrated with artificial intelligence, enabling more efficient and proactive decision-making.

Measurable impact

- Map potential needs
- Reduce decision fatigue
- Adaptive experience
- Phenomenal outcome

Artificial Intelligence

RoD NeXT combines AI – the simplest and newest tool to repeat tasks through automation and complex machine learning algorithms, to propel productivity, predictability, automation and innovation. The human centric AI platform by Zensar weighs human relevant goals, knowledge and constraints to drive human engagement and business outcome.

Measurable impact

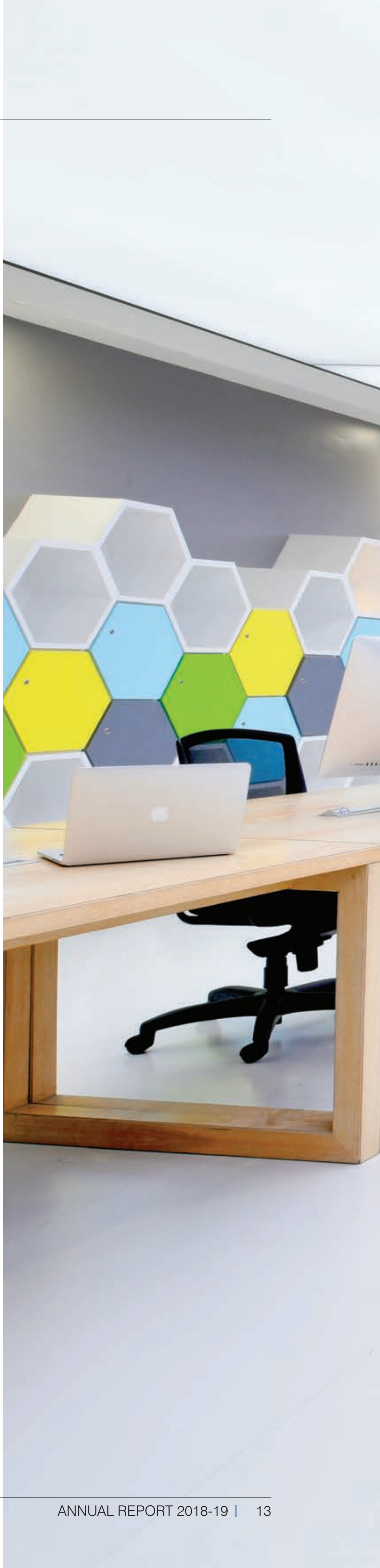
- Enhanced consumer experience
- Prescriptive insights
- Higher brand recall
- Increase in employee engagement
- Strengthens competitive advantage

Smart platforms

As part of RoD NeXT, our Smart Platforms create an eco-system that is highly personalised and tailor-made to bridge the gap between humans and technology. These platforms are reliable, efficient and secure, enabling complex functioning through real-time automation.

Measurable impact

- Automatic resource allocation
- Self-configuring systems
- Highly safe and secure



Case Study

Digital Channel Transformation using DXP at a leading Global Financial Services Company

Challenges

- Inconsistent experience across brands hampering brand image
- Alignment challenges with recent regulatory requirements such as GDPR
- Involvement of IT teams for every change increasing maintainability and Go-To-Market

RoD NeXT impact

- Improved Go-To-Market time by **40%**
- Standardisation across geographies resulting in **20%** YoY savings
- **3x** Higher site speed, optimisation

Case Study

Digital and Cloud-based platforms are creating new opportunities for one of the largest cities in the US with a potential impact on their GDP

Challenges

- Conventional and outdated digital platforms for all governing operations of the city
- Rising population and lack of seamless engagement with the citizens hindered progress of the city

RoD NeXT impact

- A potential improvement on the GDP of the city by **~5%**
- Better governance and engagement between the city's governing bodies and the people

Case Study

Driving sales for world's leading technology company through Human Experience led Digital Marketing

Challenges

- Stagnancy in growth due to subdued customer additions
- Risk of business sustenance due to increasing competition
- Address the proclivity to dismiss as the premium device at the point of purchase

RoD NeXT impact

- Improvement in sales through implementation of Human Experience by ~**32%**
- The series of engaging campaigns to launch the products globally online and in-store
- Bringing more efficiency in operations transcending into higher market share and profitability

Future-ready with RoD NeXT

As part of our business strategy, RoD NeXT redefines our corporate journey from being a digitally-enabled entity driven by innovation, to creating differentiating solutions and unique propositions for our customers.

In this disruptive digital-driven solutions era, Zensar has focused on a forward looking purpose. We recognised the real drivers of change that could have an impact on our business sustainability, and ensured that we kept investing in the future. Zensar has taken long bold strides to experiment and in the end, win at scale. We consciously started investing in people and resources to accelerate our digital services and sustain traditional services. This was done through a focused transformation drive on building platform-led and human experience-led solutions, resulting in solutions built around experience, enabled by AI, and powered by smart platforms.

Snapshot of future-focused technologies at Zensar

01
- AI Engine
- NLP Engine
- Neural Network Models

02
- Video Analytics
- Sensor Network
- AI defined Infrastructure
- Blockchain

03
- AR/VR
- Speech/Vision/ Gesture
- Ubiquitous AI

Partners for seamless eco-system

Our RoD NeXT approach is built on innovation and expertise built on leading technologies with our partners. Their intelligent platforms are built to fast-track businesses with a differentiated edge. At Zensar, we partner with leading industry technology providers to build our domain specific services, integrated with their future-ready platforms.

Our technology partners

Adobe, ORACLE, salesforce, servicenow, CISCO, Azure, amazon web services, PEGA, Google

Staying ahead with RoD NeXT

The velocity at which businesses are undergoing change to stay relevant and competitive is amazing. This change is centred around digital transformation, which can be applied throughout the value chain of any business to unlock potentials that are remain unimagined or unimaginable.

To cater to the demands of tomorrow, we have built adaptive digital delivery enterprise of today. The RoD NeXT framework is a new way of delivery in a tight-knit system of processes, automation tools, smart platforms, and digital talent supply chain. Our integrated futuristic platforms are focused on optimising cost, driving revenues and transforming our customer experience.

While these disruptive innovations transform businesses and create value, they also help us to scale our business. Today our revenues from digital services stand at 44.7% in FY19. Through our platform driven transformation approach, we are now focused on high-value deals across industries and geographies.

44.7%

Share of revenue derived from digital services in FY19 (up from 38.1% in FY18)

9

10+ Mn revenue generating accounts in FY19 (up from 4 deals in FY18)

USD 100 Mn+

TCV Deal - second consecutive win in 2 years

327

Active clients in FY19 (as compared to 253 Active clients in FY18)

123

New clients added in FY19 (as compared to 92 New clients added in FY18)

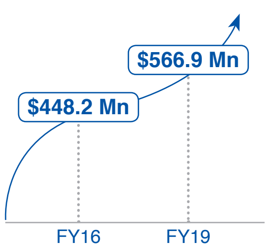
Zensar has signed almost $1 bn worth of large deals in the last 3 years

Delivering digital value across geographies

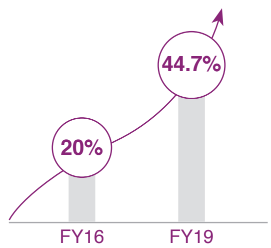
RoD NeXT is a novel approach helping break conventional business routines and processes with disruptive, digital and interconnected eco-system. We are taking this approach to our existing as well as new clients. Leveraging the capabilities of our acquisitions aligned with RoD NeXT platform, we are now helping more organisations transform their businesses. As the future belongs to digital, smarter solutions with futuristic insights are now driving the decision making of companies across different industries.

Zensar's growth in the last three years

Revenue



Digital Share in Zensar's Total Revenue



Revenue **$ 566.9 Mn**

YoY 17.6%

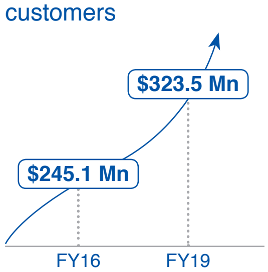
EBIDTA **$ 70.6 Mn**

YoY 22.0%

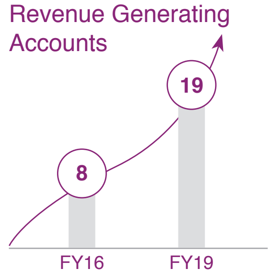
PAT **$ 45 Mn**

YoY 20.2%

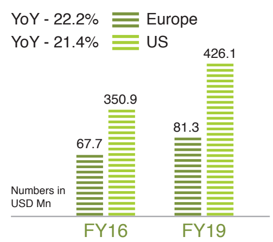
Revenue from top 20 customers



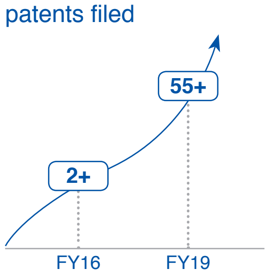
Number of $ 5+ Mn Revenue Generating Accounts



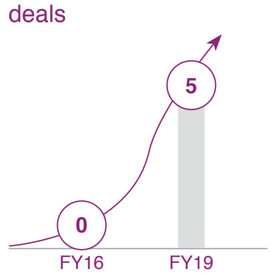
Continuous Sequential growth in Europe & US



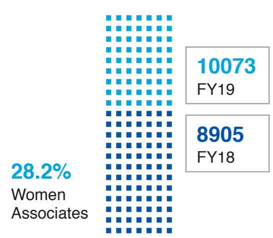
Number of unique patents filed



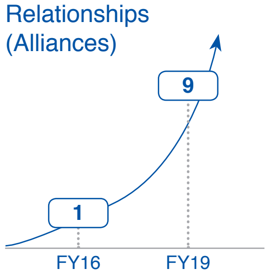
Number of $ 50+ Mn deals



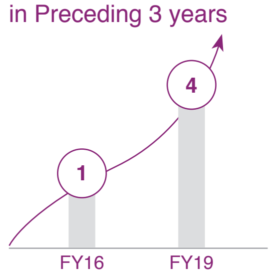
Headcount



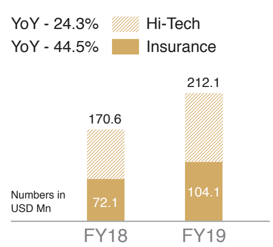
Number of Strategic Relationships (Alliances)



Number of Acquisitions in Preceding 3 years

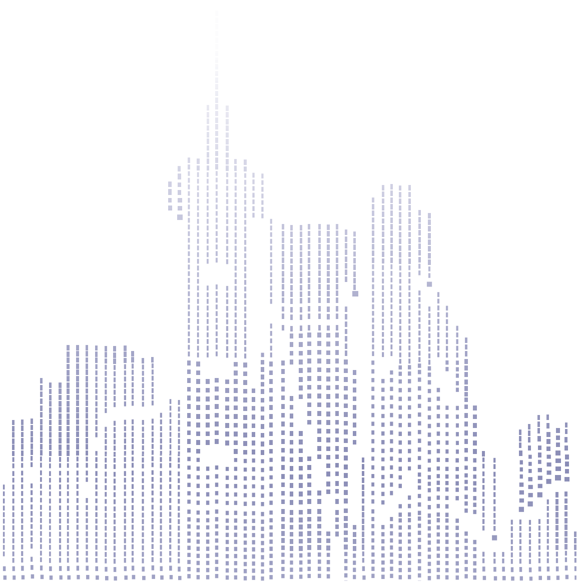


Vertical growth led by Insurance and Hi-Tech



Creating value with new capabilities

The acquisition route has been pivotal to Zensar's value creation philosophy in the recent past. The inorganic route sets path for growth and expansion with solutions and services that integrate with the current business model and help us engage better with both current and potential customers.



Today, digital is key to the growth of any business. Businesses are adapting digital transformation initiatives to create an eco-system that enables them to deliver enhanced value to the end consumer. At Zensar, our strategy of value creation is focused on delivering solutions that augment business value for our clients.

Our recent acquisitions over the last three years support the long-term strategy in several ways. Our latest acquisition in July 2018, Indigo Slate - a US based digital marketing company, strengthens our capability in experience led digital transformation. Indigo Slate boosts our broader idea of digital engagement with 'customer experience' as the centre of excellence with 'Ruptive' – a one of a kind and first human experience innovation platform. We have taken a major step towards creating smart experience for our clients with this acquisition.

Ruptive.cx – Zensar's human experience platform, helps connect multiple factors that drive growth through innovation for a business entity. This unique platform offers a 360^{o} solution: digital workshops, automated reports, real-time updates, business insights and real-time modeling, among others that result in exponential and measurable operational efficiencies across the customer value chain.

Acquisition journey

	2016	2017	2018	
	Foolproof – A Zensar Company	Keystone Logic – A Zensar Company	Cynosure – A Zensar Company	Indigo Slate – A Zensar Company
Disruptive Digital Transformation Capabilities	Experience Design	Omnichannel and Digital Supply chain for Order Management and Warehouse Management	Guidewire Platform Implementation services to Property & Casualty (P&C) Insurance	Experience and Digital Marketing
Sector specific competitive advantage	Hi-Tech & Manufacturing, BFSI and Retail	Retail and E-commerce	Insurance	Hi-Tech & Manufacturing, BFSI and Retail

Putting digital to work

Unlocking value for customers requires us to be digital first. Today, our organisational DNA is digital, thus, conferring an identity of a '100% Living Digital' entity.

In our endeavor to bring relevance to our customers' businesses, we were required to make our business relevant and sustainable. In the recent past, we have transformed our operations with a digital environment, embedding intelligent and innovative best practices across all our capabilities.

Today, at Zensar we have 32+ in-house digital solutions implemented in our entity with 55+ processes being digitalised. Our digital engagements cover employee engagements, operations, management & decision-making and relationship management. As we saw traditional approaches taking a backseat, our team rapidly adapted to our digital environment, making us relevant and sustainable.

100%

Digital employee adoption

32+

In-house Digital platform solutions

Zenlabs – Our Innovation hub

Driving our belief that businesses need to work closely with innovative technologies of today and tomorrow, at Zenlabs, we work to build customer-focused solutions using next-generation technologies (like AI, IoT, AR & VR, Blockchain and more). With our Pune facility already delivering results for the past one year, in May 2018, we inaugurated our newest Zenlabs facility at Hyderabad. Both facilities house cutting-edge infrastructure and systems to bring in new age thinking and a culture of continuous innovation. Zenlabs is also chartered to work closely with the research eco-system via partnerships with universities and startups.

Innovation at Zenlabs –
snapshot of achievements

- An AI based recommendation platform for retail and insurance
- Zeva - An industry agnostic smart virtual agent that builds personalised models to help automate repetitive tasks for B2B users
- SmartRetail - A combined offering that leverages Computer Vision & IoT based presence detection for providing customised in-store experience
- Asset Tracking using IoT and Image Recognition for Factory & Warehouse Automation
- Customised Blockchain solutions for supply chain in retail and manufacturing.

Featured

Zensar, among the only 25 companies in the world to be featured recently in the Gartner Market Guide for Blockchain consulting and PoC development services.

200+

Team members at Zenlabs

Bengaluru

Expected to be the third city to have Zenlabs by 2020

55+

Patents filed till date

Intellectual capital

As technologies and systems evolve, workforce is required to be intuitive and intelligent to deliver better performance and work efficiently. At Zensar, we work towards imparting insights and skillsets in digital technology to make our people an integral part of the digital revolution and improve their experience of working.

As we take strides in ramping up digital transformation for customers, as a priority, we have made significant investments to transform our Human Resources. We are enhancing associate experience and are focused towards enabling accelerated business growth.

To enhance the experience of our associates, Zensar provides an opportunity to each Zensarian to take the lead, grow in their career, create new milestones, and in turn continuously hone their own skills. And all these are articulated through Zensar's Employee Value Proposition - GOAL (Grow, Own, Achieve and Learn). Our people experience also includes our conscious drive to digitalise each touch-point, from recruitment to retirement, digitalising the entire journey of the HR process. Using analytics and in-house developed platforms, we have transformed the HR process to being proactive, and empowered associates to take comprehensive decisions.

GROW
OWN
ACHIEVE
LEARN
BE YOUR BEST VERSION

Solution elements

Analytics

Focus Group Discussion, Feedback Data, GPTW Feedback, Internal Customer Survey, Sentiment Analytics

Insights

Employee Life Cycle Touch Points, Onboarding, Employee Assistance, Zensar Associate Assistance Programme, Celebrate Performance

Experience

Digitally enabled interactions, In-house platform-ZenHELP, Learning on the Go with ZenLearn

Impact of digital transformation at Zensar

80%

Increase of an associate's days of learning through ZenLearn

~50%

Reduction in time for onboarding

ZERO

Paper usage while on-boarding an employee

As a delivery organisation, technology is as important to us as our talent base. We have launched a digital academy and a domain academy towards this agenda. We are also launching internal certification programmes on domain and programme management & technical certifications on technologies and processes such as cloud, agile & development ops. We will leverage our strong eco-system of partners to help with certification and re-skilling our employees.

Digital Academy

Digital Academy – 100% associates from different Business Units completed Level 3.5 comprising emerging technologies i.e. Artificial Intelligence, Machine Learning, Virtual Reality, Blockchain, Return on Digital®.

Talent transformation

Through Talent Transformation (TT) initiatives we cross-skill and up-skill associates in technical skills, required to meet future skill demand. Around 9000+ associates have been trained in various digital skills.

Awards

- **Learning**
  Skillsoft Innovation Award
  People Matters Award
- **D&I**
  AVATAR award

Advancing sustainability

As a responsible corporate, we actively contribute to socio-economic development of the communities. We remain fully committed towards the upliftment of underprivileged communities through various activities.

Our Vision

To foster happiness and well-being of people and communities, enabling them to realise their full potential

Our Mission

To build empowered communities and foster the agency of individuals to lead and enable social transformation

All CSR activities at the Company are undertaken through RPG Foundation, which is committed to undertaking CSR activities across all RPG group companies. Zensar's associates actively participate as volunteers and contribute towards all CSR driven initiatives and programmes.

Areas of focus

- Community Development
- Education
- Employability Enhancement
- Digital Literacy
- Environment sustenance

67742

People impacted through our programmes in FY19

~20%

Zensarians volunteer for activities (on an average)

Community Development

At Zensar, we focus on enabling social transformation through building agency of individuals and communities, with the purpose of creating a positive impact in their lives. The initiatives undertaken are spread across healthcare, community capacity building, entrepreneurship and skill development in the cities of Pune, Hyderabad and Bengaluru. The highlights for the year were:

- The 'Netranjali' programme reached out to 58,400 people for improving eye health through a comprehensive eye check-up camp. A significant number of bus drivers and locals were provided spectacles to get their vision corrected, while some were diagnosed with diseases that were referred for further treatment
- Our 'Swayam' initiative has empowered around 118 women from the local communities across Pune and Bengaluru to train and learn 'two-wheeler' driving, overcoming stereotypical gender mindset and promoting gender equality. On the other hand, our "Sanjeevani" programme has created a cadre of 414 bed side nurses to serve the society and thereby earn a livelihood to support their families
- Financial independence is a strong medium for empowering an individual. In light of this, our entrepreneurship development and vocational training programmes like fashion designing and beautician courses, electronics repairing, have touched 115 lives who are now leading a dignified life
- Financial management knowledge was imparted to enable people for better planning of their incomes and expenses. It is through this programme that 400 people are receiving groceries as one of the direct benefits from the government

Education

Education is an important factor for building a future for any individual. With the same belief, we support children going to government schools through the following initiatives:

- 'Udaan leadership development' programme helps students in self learning, decision making and finding a safe environment to grow up. English is used as the medium of driving this programme. 'Udaan' saw success with its extension to six new government schools in this year, thus reaching out to 2158 children across Pune and Hyderabad
- Instituting magic classrooms was enabled through 'Pehlay Akshar', teachers training and 'Saathi sessions benefiting 117 teachers to upgrade their teaching skills and engage better with the students

5500+

Students reached out in FY19

890+

Students benefitted through Udaan English proficiency programme and IT literacy programme in Hyderabad

The Employability Skills Development programme

Under this programme around 1776 students from Tier-3 and Tier-4 engineering colleges received more than 220 hours of employability trainings from leading corporate trainers, helping them strengthen their skills in technical, digital and business communication skills

~70%

Students received job offers from various companies post completion of trainings

National Digital Literacy Mission (NDLM) centres and buses

Zensar continues to spread National Digital Literacy Mission, wherein at least one person from every household in India, should be digitally literate by the year 2020. We achieved the following highlights during the year:

- Two digital literacy centres have been established, one in Hyderabad and one in Bengaluru aimed at training 2000 people in the field of digital literacy and emerging digital technologies

Environment Sustenance

The 2-acre Biodiversity Park, which was developed in September 2012 in partnership with the Pune Municipal Corporation, continues to provide an ecological balance. A total of about 221 floral and 48 faunal species were recorded in the park. Introduction of more native species of plants was the focus this year, and community participation was encouraged for the same

600+

Visitors daily at the Zensar Udaan Biodiversity Park

110

Biodiversity and Sustainability sessions were conducted through the year

300+

Saplings were planted in Wagholi and Udaan Biodiversity Park

770+

Zensarians across Pune, Hyderabad and Bengaluru volunteered and participated

NOTICE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY-SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ZENSAR TECHNOLOGIES LIMITED WILL BE HELD ON MONDAY, AUGUST 5, 2019 AT 12.00 NOON AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT ZENSAR KNOWLEDGE PARK, PLOT # 4, MIDC, KHARADI, OFF NAGAR ROAD, PUNE 411014 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Accounts.

To receive, consider, approve and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon: and

b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Auditors thereon.

Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution as an **Ordinary Resolution(s):**

"RESOLVED THAT, the standalone and consolidated Audited Financial Statements for the Financial Year ended March 31, 2019, together with the Auditors' and Board's Report thereon, along with relevant annexures, be and are hereby received, considered, approved and adopted.

FURTHER RESOLVED THAT, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and/or expedient, to give effect to this resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company."

Item No. 2 – Declaration of Dividend.

To confirm payment of Interim Dividend and to declare Final Dividend on Equity Share Capital of the Company for the Financial Year ended March 31, 2019. The Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution as an **Ordinary Resolution(s):**

"RESOLVED THAT, the Interim Dividend paid during the year at the rate of Re. 1.00/- (Rupee One only) per equity share, be and is hereby confirmed and a Final Dividend for the Financial Year 2018-19 at the rate of INR 1.80/- (Rupees One and Eighty Paise only) per equity share, be and is hereby approved and be paid to the Members of the Company, whose name(s) appear in the Register of Members/Beneficiary position list provided by the Depositories, as per the book closure/cut-off date fixed for the purpose, subject to necessary approvals, as may be required.

FURTHER RESOLVED THAT, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and/or expedient, to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company."

Item No. 3 – Re - appointment of Mr. Shashank Singh (DIN:02826978)

To appoint a Director in place of Mr. Shashank Singh, who retires by rotation, and being eligible, offers himself for re-appointment. The Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution(s) as an **Ordinary Resolution(s):**

"RESOLVED THAT, pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and other rules and regulations, as may be applicable, the approval of the Members of the Company be and is hereby accorded towards re-appointment of Mr. Shashank Singh (DIN:02826978) as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

FURTHER RESOLVED THAT, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company."

SPECIAL BUSINESS:

Item No. 4 – Appointment of Mr. Anant Vardhan Goenka (DIN:02089850) as a Non-Executive Non-Independent Director, liable to retire by rotation.

To appoint Mr. Anant Vardhan Goenka (DIN:02089850) as a Non-Executive, Non-Independent Director, liable to retire by rotation. The Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution as an **Ordinary Resolution(s):**

"RESOLVED THAT, pursuant to Section 152, 160, 161 of the Companies Act, 2013, Article 104 of the Articles of Association of the Company and other applicable rules and regulations for time being in force, Mr. Anant Vardhan Goenka (DIN:02089850) who was appointed as an Additional as well as Non-Executive Non-Independent Director, with effect from January 21, 2019 and who holds office as such, until the conclusion of 56th Annual General Meeting of the Company and in respect of whom, the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Directorship, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation with immediate effect.

FURTHER RESOLVED THAT, the Board of Directors of the Company (including Committee thereof) Chief Financial Officer and/or Global Finance Controller and/or Head-Treasury, Taxation and Commercials and/or Company Secretary and/or AVP-Business Finance and/or AVP-Controllership be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and/or expedient to give effect to the foregoing resolution(s), including delegation of powers herein to any of the Directors and/or officers of the Company."

Item No. 5 – Appointment of Mr. Arvind Nath Agrawal (DIN:00193566) as a Non-Executive Independent Director, not liable to retire by rotation.

To appoint Mr. Arvind Nath Agrawal (DIN:00193566) as a Non-Executive, Independent Director, not liable to retire by rotation. The Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution as an **Ordinary Resolution(s):**

"RESOLVED THAT, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Arvind Nath Agrawal (DIN:00193566), who was appointed as an Additional as well as Non-Executive Independent Director of the Company, by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, to hold office for a period of five years from May 01, 2019 to April 30, 2024 and in respect of whom, the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Directorship, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office till April 30, 2024.

FURTHER RESOLVED THAT, any of the Directors of the Company (including Committee thereof) Chief Financial Officer and/or Global Finance Controller and/or Head-Treasury, Taxation and Commercials and/or Company Secretary and/or AVP-Business Finance and/or AVP-Controllership of the Company be and are hereby severally authorised to do all such acts, deeds and things as deemed necessary, desirable and/or expedient to give effect to the foregoing resolution(s), including but not limited to filing of necessary e-forms with the Registrar of Companies."

Item No. 6 – Re-appointment of Mr. Ajit Tekchand Vaswani (DIN:00057953) as Non-Executive Independent Director of the Company, not liable to retire by rotation.

To re-appoint Mr. Ajit Tekchand Vaswani (DIN:00057953) as Non-Executive Independent Director of the Company not liable to retire by rotation. The Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution as **Special Resolution(s):**

"RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, read with the applicable Rules and Schedule IV of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and approval by the Board of Directors on the recommendation of the Nomination and Remuneration committee in this behalf, approval of the Members, be and is hereby accorded towards re-appointment of Mr. Ajit Tekchand Vaswani (DIN:00057953), as Non-Executive Independent Director of the Company, for the second term of 5 (five) consecutive years, starting from April 1, 2020 till March 31, 2025, not liable to retire by rotation.

FURTHER RESOLVED THAT, pursuant to the provisions of SEBI (Listing Obligations and Disclosures Requirement) (Amendment) Regulations, 2018, approval of the Members be and is hereby accorded towards continuation of directorship of Mr. Ajit Tekchand Vaswani as a Non-Executive Independent Director, notwithstanding attaining the age of seventy-five years (75), until the expiry of his second term on March 31, 2025.

FURTHER RESOLVED THAT, any of the Directors of the Company (including Committee thereof), Chief Financial Officer and/or Global Finance Controller and/or Head Treasury, Taxation and Commercials and/or Company Secretary and/or AVP Business Finance and/or AVP Controllership of the Company be and are hereby severally authorised to do all such acts, deeds and things as deemed necessary, desirable and/or expedient to give effect to the foregoing resolution, including but not limited to filing of necessary e-forms with the Registrar of Companies."

Item No. 7 – Re-appointment of Mr. Venkatesh Kasturirangan (DIN:00804869) as a Non-Executive Independent Director of the Company, not liable to retire by rotation.

To re-appoint Mr. Venkatesh Kasturirangan (DIN:00804869) as a Non-Executive, Independent Director of the Company, not liable to retire by rotation. The Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution as **Special Resolution(s):**

"RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, read with the applicable Rules and Schedule IV of Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and approval by the Board of Directors on the recommendation of the Nomination and Remuneration committee in this behalf, approval of the Members be and is hereby accorded towards re-appointment of Mr. Venkatesh Kasturirangan (DIN:00804869), as a Non-Executive Independent Director of the Company, for the second term of 5 (five) consecutive years, starting from April 1, 2020 till March 31, 2025, not liable to retire by rotation.

FURTHER RESOLVED THAT, pursuant to the provisions of SEBI (Listing Obligations and Disclosures Requirement) (Amendment) Regulations, 2018, approval of the Members be and is hereby accorded towards the continuation of directorship of Mr. Venkatesh Kasturirangan as a Non-Executive Independent Director, notwithstanding attaining the age of seventy-five years (75), until the expiry of his second term on March 31, 2025.

FURTHER RESOLVED THAT, any of the Directors of the Company (including Committee thereof), Chief Financial Officer and/or Global Finance Controller and/or Head Treasury, Taxation and Commercials and/or Company Secretary and/or AVP Business Finance and/or AVP Controllership of the Company be and are hereby severally authorised to do all such acts, deeds and things as deemed necessary, desirable and/or expedient to give effect to the foregoing resolution, including but not limited to filing of necessary e-forms with the Registrar of Companies."

Item No. 8 – Approval for payment of Commission to Non-Executive Director(s)

To approve payment of Commission to Non-Executive Director(s). The Members are requested to consider and if thought fit, pass with or without modification(s), the following Resolution as **Special Resolution(s):**

"**RESOLVED THAT,** pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and subject to other applicable provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, and such other rules and regulations as may be applicable, approval of the Members be and is hereby accorded towards payment of annual remuneration in the form of commission amounting to INR 2,25,00,000 (Rupees Two Crores Twenty Five Lakhs only) for the FY 2018-19 to Mr. Harsh Vardhan Goenka, Non-Executive Non Independent Director and Chairman of the Company, being an amount exceeding 50% (Fifty percent) of the aggregate annual remuneration payable to all the Non-executive Directors of the Company, within the overall limit of 3% (Three percent) of net profits of the Company, for the FY 2018-19, as earlier approved by the members of the Company, at its meeting held on August 8, 2018.

FURTHER RESOLVED THAT, the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things, as may be necessary to give effect to this resolution(s) without seeking any further consent or approval of the Members, to the end and intent that they shall be deemed to have given their approval thereto, expressly by the authority of this resolution(s) and delegate all or any of its powers herein conferred to any of the Committee of Directors, including the Nomination and Remuneration Committee, or to any of the Director(s), Officers(s), Authorised Representative(s) etc."

By Order of the Board of Directors

Sd/-
Gaurav Tongia
Company Secretary

Mumbai, April 30, 2019

Registered Office:
Zensar Knowledge Park,
Plot # 4, MIDC, Kharadi,
Off Nagar Road, Pune - 411014
CIN: L72200PN1963PLC012621

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead and a proxy need not be a member. The instrument duly completed appointing the proxy shall be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of not exceeding 50 (fifty) members and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. During the business hours of the Company, proxy forms are open for inspection, for the period beginning 24 (twenty-four) hours before the commencement of the Meeting and ending with the conclusion of the Meeting, provided that an advance notice of not less than three days, is given to the Company.

2. Only registered Members carrying the attendance slip and the holders of valid proxies registered with the Company, will be permitted to attend the meeting. Corporate members intending to send their representatives are requested to send a certified true copy of the Resolution authorising the representative to attend and vote at the Annual General Meeting.

3. Members are requested to notify any change in their addresses specifying the same in block letters with PIN code to Company's Registrar and Share Transfer Agent at the following address:
   Karvy Fintech Private Limited
   Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District,
   Nanakramguda, Serilingampally, Hyderabad Rangareddi TG 500032

4. Members desiring any information with regard to Accounts/Annual Reports are requested to write to the Company Secretary on the e-mail ID investor@zensar.com, at least ten days before the Meeting so as to enable the Management, to keep the information ready.

5. The Company's Register of Members and Share Transfer Book shall remain closed *inter-alia* for the purpose of determining eligibility of the Members entitled to receive the dividend, from July 29, 2019 to August 5, 2019 (both days inclusive).

6. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Transfer Agents as mentioned above or to the Company Secretary, at the Company's registered office. Pursuant to the provisions of the Companies Act, 2013 and other relevant Rules, the Company has accordingly transferred dividend remaining unpaid for seven years (7) to Investors Education and Protection Fund (IEPF). The Members who have not en-cashed their dividend warrants for the subsequent years are requested to send their Dividend Warrants for revalidation to the Company or its Registrar and Share Transfer Agents.

7. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within a period of 30 days from the date declaration, to those members whose names appear on the Registrar of Members as at the end of July 28, 2019. The final dividend is INR 1.80/- per equity share. The dividend will be paid on or before August 18, 2019.

8. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective Depository Participant(s). The Members holding shares in physical form are requested to inform their bank account details to the company and/or the registrar and share transfer agents viz. Karvy fintech private limited.

9. Investors may address their queries/communication to investor@zensar.com and/or einward.ris@karvy.com.

10. The Annual Report 2018-19 is being sent through electronic mode to the Members whose email addresses are available with the Company/Depository Participant(s) unless any such member has requested for physical copy of the Report. The Members who have not registered their e-mail addresses, physical copies of the Annual Report 2018-19 are being sent by permitted mode.

11. To support the Green Initiatives taken by Ministry of Corporate Affairs, Members are requested to demat their shares and register their e-mail address with the Depository Participant(s)/Company so that all communication / documents can be sent in electronic mode.

12. The voting for the agenda item shall be done by casting of votes by using Remote e-voting, that is an electronic voting system from a place other than the venue of the Meeting (e-voting) and by Poll at the Meeting. Those who have exercised the option of e-voting shall be entitled to attend and participate in the Meeting but would not be entitled to vote at the Poll to be conducted at the venue of the AGM on the day of meeting.

13. Mr. Suresh Deulkar (FCS 965), Partner, SVD & Associates, Company Secretaries and failing him Mr. Sridhar Mudaliar (FCS 2664), has been appointed as the Scrutiniser to scrutinise the e-voting process so as to conduct the same in a fair and transparent manner.

14. The Scrutiniser shall within the prescribed period from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a consolidated Scrutiniser's Report of the votes cast in favor or against, if any, and submit his report to the Chairman and/or authorised person of the Company, who shall declare the results forthwith.

15. The results declared along with the Scrutiniser's Report, shall be placed on Company's website www.zensar.com and on the website of Karvy Fintech Private Limited at https://evoting.karvy.com and will also be communicated to the Stock Exchanges.

16. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / re-appointment at the AGM, forms part of the Notice and/or Annual Report.

17. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to Registrar and Transfer Agents.

18. All documents referred to in the Notice and requisite statutory registers will be available for inspection at the Company's registered office on working days from 11.00 a.m. to 6.00 p.m. up to the date of the AGM.

19. The procedure and instructions for Members for voting electronically are as below:

    i. The voting period begins at 9.00 a.m. on Thursday, August 01, 2019 and ends at 5:00 p.m. on Sunday, August 04, 2019. Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. July 28, 2019, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.

    ii. The members should log on to the e-voting website https://evoting.karvy.com.

    iii. Enter the login credentials i.e., User ID and password mentioned in your email/attendance slip. Your Folio No/DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.

    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 digit Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company

    iv. Enter the Image Verification as displayed and click on Login.

    v. You will reach the Password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    vi. You need to login again with the new credentials.

    vii. On successful login, the system will prompt you to select the EVENT i.e. Zensar Technologies Limited.

    viii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution then enter all shares and click "FOR"/ "AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR / AGAINST" taken together should not exceed your shareholding as on cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

    ix. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

x. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution(s).

xi. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail id info@svdassociates.co.in They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."

xii. In case of any query, you may refer the Frequently Asked Questions (FAQs) for Members and E-voting User Manual available at the "download" section of https://evoting.karvy.com or call M/s Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) on 1800 345 4001 (toll free).

xiii. Notice of the AGM is also placed on the website of the Company at www.zensar.com and on the website of Karvy at https://evoting.karvy.com.

xiv. Details of the person who can be contacted for any grievances connected with facility for voting by electronic means:
Mr. S. V. Raju, Deputy General Manager
Karvy Fintech Private Limited
Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi TG 500032 Toll Free No. 1800 345 4001 Email: einward.ris@karvy.com / evoting@karvy.com

xv. The Resolutions, if passed with the requisite majority, shall be deemed to have been passed on the date of the AGM i.e. August 05, 2019.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 :

Appointment of Mr. Anant Vardhan Goenka (DIN:02089850) as a Non-Executive, Non-Independent Director, liable to retire by rotation

The Board of Directors of the Company ('the Board') at the meeting held on January 21, 2019, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), appointed. Mr. Anant Goenka as Additional as well as Non-Executive, Non-Independent Director of the Company.

The Board at its meeting held on April 30, 2019, on the recommendation of the Committee, approved and proposed for the approval of the Members, the appointment of Mr. Anant Goenka as Non-Executive, Non-Independent Director, liable to retire by rotation as set out in the Resolution relating to his appointment.

Requisite Notice under Section 160 of the Act from a Member, proposing the appointment of Mr. Anant Goenka has been received by the Company. Further, Mr. Anant Goenka has also submitted his consent pursuant to Section 152 of the Act and all other requisite disclosure(s) in this behalf.

Mr. Anant Goenka shall be entitled to sitting fees and/or other remuneration as per relevant approvals.

Additional information in respect of Mr. Anant Goenka, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings which *inter-alia* includes, a brief resume, nature of his expertise in specific functional areas, names of companies in which he holds directorship(s), membership(s) of the Board's Committees, shareholding in the Company and relationships between the directors *inter-se* are given herein and forms part of the Notice.

Mr. Anant Goenka does not hold any shares of the Company. Mr. Anant Goenka is related to Mr. Harsh Vardhan Goenka, the Chairman of the Company. Mr. Anant Goenka and/or his relatives may be deemed to be interested in the resolution(s) set out at Item No. 4 of the Notice. Save and except the foregoing, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolutions as set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice, for approval by the Members of the Company.

Item No. 5 :

Appointment of Mr. Arvind Nath Agrawal (DIN:00193566) as a Non-Executive Independent Director, not liable to retire by rotation.

The Board at its meeting held on April 30, 2019, approved and further recommended for the approval of Members, the appointment of Mr. Arvind Agrawal as an Independent Director, not liable to retire by rotation to hold office, for a period five years from May 01, 2019 to April 30, 2024.

Mr. Arvind Agrawal has vast experience as senior management member. He has hands on experience and expertise on TQM and corporate strategy. His philosophy on corporate governance is in sync with that of the Company. He has exemplary thought leadership in general management and more specifically in human resources management. His association with the Board and more specifically with the Nomination and Remuneration Committee has helped the Company to adopt industry best practices of human capital management and associate engagement.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mr. Agrawal and contribution to Board processes, his association as independent director would benefit the Company immensely.

Requisite declarations and other disclosures have been received from Mr. Arvind Agrawal, *inter-alia* stating that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015) and the Board has taken it on record after ascertaining due veracity of the same.

In the opinion of the Board, Mr. Agrawal, fulfil the requisite conditions for proposed appointment specified in the Act, the Rules thereunder and the Listing Regulations, 2015.

Mr. Arvind Agrawal shall be entitled to sitting fees and/or other remuneration at par with other Independent Directors of the Company.

Additional information in respect of Mr. Arvind Agrawal, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings which *inter-alia* includes, a brief resume, nature of his expertise in specific functional areas, names of companies in which he holds directorship(s), membership(s) of the Board's Committees, shareholding in the Company and relationships between the directors *inter-se,* are given herein and forms part of the Notice.

Mr. Arvind Agrawal does not hold any shares of the Company. He is not related to any of the Directors on the Board and/or Key Managerial Personnel of the Company. Mr. Arvind Agrawal and / or his relatives may be deemed to be interested in the resolutions set out at Item No. 5 of the Notice. Save and except the foregoing, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution(s) as set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice, for approval by the Members of the Company.

Item No. 6 & 7 :

Re-appointment of Mr. A.T. Vaswani (DIN:00057953) and Mr. Venkatesh Kasturirangan (DIN:00804869) as Non-Executive Independent Director(s) of the Company, not liable to retire by rotation.

The Members of the Company had earlier approved the appointment of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan as Independent Directors of the Company not liable to retire by rotation, for a period of five years with effect from April 1, 2015 to March 31, 2020. Accordingly, Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan shall complete their first term on March 31, 2020.

The Board of Directors of the Company ('the Board') at the meeting held on April 30, 2019, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), proposed for the approval of Members, the re-appointment of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan, as Independent Directors not liable to retire by rotation, for a second term of 5 (five) consecutive years, starting from April 1, 2020 till March 31, 2025, *inter-alia* in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective appointment.

Section 149, sub-section (10) of the Companies Act 2013, provides that an independent director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

Section 149, sub-section (11) provides that no independent director shall hold office for more than two consecutive terms. Explanation to sub-sections (10) and (11), provide that any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections. Therefore, Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan are entitled to second term till March 31, 2025.

Mr. Vaswani has extensive expertise in various fields spanning over more than five decades. Further, he is well conversant with the Company's business, industry and other areas relating to the Company. He brings independent judgement on Board discussions. He is also an expert in the field of General Management and Business Operations. He has shown exemplary thought leadership during the course of his tenure as a Director. He brings in vast CEO/Senior Management Experience to the Board and/or Committees. He has been a keen observer of the IT industry since decades and his vision in this domain, has helped the Company to achieve significant growth in operations and business. He has vast knowledge in Accounting and Finance fields and has a proactive and futuristic approach towards Risk and Compliance Management.

Mr. Venkatesh Kasturirangan has vast experience in general management of the Company's affairs. He provides great thought leadership reaped out of his expertise in the senior management roles. He brings to the Board, an insight on risk management. He has extensive experience in Business Development/sales/Marketing, and International Business that complements and takes ahead Company's strategy in chosen areas. His insights and value additions play a pivotal role *inter-alia* in shaping Company's M&As.

Accordingly, the Committee and the Board, are of the view that, given the knowledge, experience, contribution and performance evaluation of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan, their continued association would be immensely beneficial to the Company, in its pursuit of growth and hence recommend to the Members to approve their re-appointment for a further period of five years up to March 31, 2025.

Requisite Notices under Section 160 of the Act by a Member, proposing the appointment of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan have been provided by the Company.

Further, requisite declarations and other disclosures have been received from Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan respectively, *inter-alia* stating that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015 and the Board has taken it on record after due assessement. In the opinion of the Board, Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan, fulfil the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015.

Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan shall be entitled to sitting fees and/or other remuneration at par with other Independent Directors of the Company.

Approval of the Members by way of Special Resolution is required for re-appointment of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations 2015, approval of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. At the beginning of the term, Mr. A. T. Vaswani has already attained age of seventy five years and Mr. Venkatesh Kasturirangan will be attaining the age of seventy five years during the proposed second term. The Special Resolutions under Item Nos. 6 and 7, once passed, shall also be deemed as Members' approval under the Listing Regulations 2015, for continuation of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan as Independent Directors, beyond the age of seventy five years.

Additional information in respect of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings which *inter-alia* includes, a brief resume, nature of his expertise in specific functional areas, names of companies in which he holds directorship(s), membership(s) of the Board's Committees, shareholding in the Company and relationships between the directors *inter-se* are given herein and forms part of the Notice.

Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan are not related to any of the Directors on the Board and/or Key Managerial Personnel of the Company. Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan and / or their respective relatives may be deemed to be interested in the resolutions set out at Item No. 6 & 7 of the Notice.

Save and except the foregoing, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolutions as set out respectively at Item No. 6 & 7 of the Notice.

Mr. Vaswani holds 50,000 equity shares of Rs 2/- each, of the Company. Mr. Venkatesh Kasturirangan does not hold any shares of the Company.

The Board recommends the Special Resolutions set out at Item No. 6 & 7 of the Notice, for approval by the Members of the Company.

Item No. 8 :

Approval for payment of Commission to Non-Executive Director(s)

Pursuant to Section 197, 198, and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force (hereinafter referred to as "the Act"), approval of the members was granted at the 55th Annual General Meeting of the Company for payment of remuneration/commission to the Director(s) of the Company, who is/are neither in the whole-time employment nor Managing Director(s) of the Company, in such manner and up to such extent, as the Board of Directors of the Company, may so determine from time to time, upon recommendation of the Nomination and Remuneration Committee, but not exceeding 3% (Three percent) of net profits calculated pursuant to Section 198 of the Act and such payments shall be made in respect of net profits of the Company, for each respective Financial Year(s).

In terms of Regulation of the SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended vide Amendment notification issued by SEBI on May 9, 2018, no Listed Entity shall pay remuneration to a single Non-Executive Director, more than 50% (fifty percent) of the aggregate remuneration, payable to all Non-Executive Directors with effect from April 1, 2019, except with the approval of shareholders by way of special resolution.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on April 30, 2019 approved a remuneration/commission of INR 2,25,00,000 payable to Mr. H. V. Goenka, Chairman, Non-Executive Non Independent Director of the Company for FY 2018-19, which exceeds 50% of the aggregate remuneration payable to all Non-Executive Directors.

Mr. H. V. Goenka is a promoter of the Company and has about four decades of diverse experience. Mr. Goenka's extensive experience has been instrumental in helping guide the Company, towards both short term growth as well as long term sustainability. As Chairman of the Board, Mr. Goenka provides vision and thought leadership which has resulted in the Company achiving high standards of corporate governance, innovation, brand visibility and growth-oriented project investments. Mr. Goenka invests considerable time reviewing the operations and performance of the Company and his interactions with the senior leaders and his role in building a talent pool in the Company has been significant in maximising stakeholder value. The Board deems it appropriate to recognize his contribution and compensate such amount as remuneration as it deems fair. Pursuant to the relvant regulations necessitating members' approval for payment of remuneration in excess of 50% of the aggregate remuneration payable to the Non-executive directors, the Board recommends the Special Resolution as set out in Item No. 8 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. H. V. Goenka himself and Mr. Anant Goenka, Director are in any way, concerned or interested in the resolution set out at item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice, for approval by the Members of the Company.

By Order of the Board of Directors

Sd/-
Gaurav Tongia
Company Secretary

Mumbai, April 30, 2019

Registered Office:
Zensar Knowledge Park,
Plot # 4, MIDC, Kharadi,
Off Nagar Road, Pune - 411014
CIN: L72200PN1963PLC012621

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

1. Mr. Shashank Singh

Education: MBA from Harvard Business School, a Masters in Economics from Cambridge University and a BA (Honours) in economics from St. Stephen's College (Delhi University).

Mr. Shashank Singh, aged 42 years, is a Partner and Head of India office of Apax Partners, the global Private Equity fund. He joined Apax in London in 2004, before moving to India in 2007 to start Apax's office there. His deals at Apax include Fractal Analytics, Healthium Medtech, Mannapuram Finance, Zensar Technologies, Shriram City Union Finance, Cholamandalam Finance, GlobalLogic, iGATE, Apollo Hospitals, TIM Hellas, Weather Investments, TDC, Bezeq and Synetrix.

Prior to joining Apax Partners, he spent four years as a strategy consultant with Monitor Company in their London office. Mr. Singh serves on the boards of Fractal Analytics, Healthium Medtech, Zensar Technologies and SCUF, and previously served on the boards of GlobalLogic, iGATE Corporation Inc. (Nasdaq: IGTE) and Apollo Hospitals (NSE: APOLLOHOSP), and as Independent Non-Executive Director of Greatship India Ltd. In addition, he serves as the Chairman of Dasra (leading not-for-profit in India), Trustee of the Apax Foundation, member of the South Asia Advisory Board of Harvard Business School and the Vice-Chancellor's Circle of Advisers for India for the University of Cambridge.

He has been on the Board of the Company since October 2015.

Following are details of his Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies			
1.	Zensar Technologies Limited	2.	Shriram City Union Finance Limited

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sr. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
1.	Zensar Technologies Limited	Audit Committee	Member

2. **Mr. Anant Goenka**

Education: MBA from the Kellogg School of Management and a BS (Economics) from the Wharton School, University of Pennsylvania.

Mr. Anant Goenka, aged 37 years, is the Managing Director of CEAT and a member of the Management Board at RPG Enterprises. He is also the Chairman of Automotive Tyre Manufacturers' Association (ATMA). He has over 15 years of experience, during which he has worked in CEAT, KEC International and Hindustan Unilever.

He started his career with Hindustan Unilever in 2003 after which he joined CEAT as Regional Manager - Sales. He went on to lead the Off Highway Tyres Business in 2005. He then joined KEC International Limited (KEC) as Vice President (Corporate) in 2007 and was in charge of the Telecom business, Business development in North America and Integrated Planning and Monitoring of Transmission and Distribution Business. In recognition of his contribution in the said business vertical, KEC elevated him to the position of Executive Director – Supply Chain responsible for manufacturing, procurement, planning, logistics and quality functions. In 2010, he moved back to CEAT as Deputy Managing Director and then as Managing Director in April 2012.

He has been recognised by Forbes as the "Next Generation Business Leader of the Year" in 2017 and as "India's 40 under 40 Business Leaders" by Economic Times-Spencer Stuart. He also led CEAT to win the Deming Prize in 2017, one of the most prestigious global quality awards in the world.

He has been on the Board of the Company, since January 2019.

Following are details of his Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies			
1.	Zensar Technologies Limited	2.	CEAT Limited
3.	STEL Holdings Limited	–	

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sr. No.	Name of the Company	Name of Committee	Designation (Member or Chairperson)
	NIL		

3. **Mr. Arvind Agrawal**

Education: IIM (Ahmedabad) Alumnus and PhD from IIT Bombay

Mr. Arvind Agarwal, aged 68 years, has vast experience of 45 years in HR, TQM, Corporate Strategy and General Management. He was awarded "National HRD Award" in 1992. He has been the "President" of the National HRD network during 2000-02. He has worked with various reputed Organisations such as IBP, Escorts, Modi Xerox and RPG Group. He is also Master Certified Coach from International Coach Federation.

He has been on the Board of the Company as Independent Director, since May 2019.

Following are details of his Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies	
1.	Zensar Technologies Limited

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sr. No.	**Name of the Company**	**Name of Committee**	**Designation (Member or Chairperson)**
1.	Zensar Technologies Limited	Stakeholders' Relationship Committee	Member

4. **Mr. A.T. Vaswani**

Education: Fellow Member of the Institute of Chartered Accountants of India and Chartered Secretary.

Mr. A.T. Vaswani, aged 81 years, is a Chartered Accountant and a Chartered Secretary and has over 55 years of experience in business and industry. He has extensive expertise in various fields. Since 1981, Mr. Vaswani has served on the Board of Directors of leading multi-national companies, both in executive and non-executive capacity, including as Deputy CEO of Metal Box of India Ltd., a leading packaging Company, and as Director and Senior Vice President of Glaxo India Ltd., India's largest and one of the most respected pharmaceuticals company.

He has been on the Board of the Company as Independent Director, since 2015.

Following are details of his Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies			
1.	Zensar Technologies Limited	2.	KEC International Limited

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sr. No.	**Name of the Company**	**Name of Committee**	**Designation (Member or Chairperson)**
1	Zensar Technologies Limited	Audit Committee	Chairperson
2		Stakeholders' Relationship Committee	Chairperson
3	KEC International Limited	Audit Committee	Chairperson

5. **Mr. Venkatesh Kasturirangan**

Education: B. Tech (Hons.) in Chemical Engineering from IIT Mumbai and MBA from IIM Ahmedabad.

Mr. Venkatesh Kasturirangan, aged 72 years, is the recipient of Distinguished Alumni Award from IIT, Mumbai. He had been associated with Unilever for almost 30 years holding senior management positions in various countries including EVP & COO, Unilever HPC, USA and Chairman, Unilever Philippines. He was President, North America of Diversey Lever, a Unilever Company and later on, upon its merger with S. C. Johnson Wax, as President, North America of JohnsonDiversey, a position he held till June 2003.

In recent years, he has been actively involved in various consulting assignments in the USA, Asia Pacific, Africa/Middle East and India.

He has been on the Board of the Company as Independent Director, since 2015.

Following are details of his Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies	
1.	Zensar Technologies Limited

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sr. No.	**Name of the Company**	**Name of Committee**	**Designation (Member or Chairperson)**
1	NIL		

BOARD'S REPORT
& ANNEXURES

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present 56th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2019.

FINANCIAL SUMMARY:

(INR In Lakhs)

Particulars	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Income from operations	1,37,008	1,28,581	3,96,633	3,10,774
Miscellaneous Income	8,499	6,275	9,268	7,439
Total Income	1,45,507	1,34,856	405,901	3,18,213
Profit Before Taxation	33,351	25,678	44,538	35,157
Profit After Taxation	25,800	19,258	31,865	24,649
Proposed Dividend	4,053	3,149	4,053	3,149
Transfer to General Reserves	12,000	10,000	12,000	10,000

Standalone and Consolidated Financial Statements of your Company alongwith its subsidiaries, are prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India, which forms part of this Annual Report.

In the preparation of financial statements, no treatment different from that prescribed in Indian Accounting Standards (Ind AS) has been followed.

On standalone basis, during FY 2018-19, the Company recorded total income of INR 1,45,507 Lakhs comprising income from software development and allied services of INR 1,37,008 Lakhs, and other income of INR 8,499 Lakhs. The Company recorded a net profit of INR 25,800 Lakhs reflecting an increase of about 34% as compared to previous year.

On consolidated basis, the Company has maintained growth with Total income of INR 4,05,901 Lakhs comprising income from Software Development and Allied Services of INR 3,96,633 Lakhs and other income of INR 9,268 Lakhs. The Consolidated net profit was INR 31,865 Lakhs reflecting increase of about 29.3% as compared to previous year.

The Company is not required to maintain cost records, as specified by the Central Government under section 148 of the Companies Act, 2013.

SUBSIDIARY COMPANIES

Your Company along with subsidiaries provides digital solutions and technology services globally.

As of March 31, 2019, the Company has 23 Subsidiaries as per the list set out in Extract of Annual Return, which forms part of this Report and is also available on www.zensar.com.

The highlights of performance of subsidiaries and their contribution to the overall performance of the Company, is included in Form AOC – 1 forming part of Consolidated financial statements' section in this Annual Report, in accordance with the provisions, *inter-alia*, of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014.

Policy for determining material subsidiaries framed by the Company, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") was revised during the year under review in line with the amended Listing Regulations. The same is available on the website of the Company, at https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Policy%20for%20determining%20material%20subsidiaries%20%281%29.pdf`

During the year under review, following definitive agreements were entered:

- In July 2018, Zensar Technologies Inc.,USA wholly owned subsidiary of the Company, entered into definitive agreement(s) for the acquisition of 100% shareholding of Indigo Slate, Inc USA ("Indigo Slate").
- In January 2019, the Company entered in to definitive agreement(s) for transfer of business of its identified customers, headquartered in India, by way of slump sale to Lorhan IT Services Private Limited, (a wholly owned subsidiary of First Tek Inc.).

BOARD'S REPORT *(Contd.)*

- In January 2019, Company along with Zensar Information Technologies Limited and Zensar Software Technologies Limited (wholly owned subsidiaries of the Company) respectively, entered in to definitive agreement(s) for sale of 100% of the share capital of these Wholly owned subsidiaries to Lorhan IT Services Private Limited. (a wholly owned subsidiary of First Tek Inc.)

The requisite Stock exchange disclosures were filed.

BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS

The information on Company's affairs and related aspects, is provided under Management Discussion and Analysis report, which has been prepared, *inter-alia*, in compliance with Regulation 34 of Listing Regulations and forms part of this report.

DIVIDEND

Based on profit in the first three quarters of FY 2018-19 and continuing Company's tradition of rewarding the members, an Interim dividend of INR 1/- per share, aggregating to about INR 2,252 Lakhs was paid in the month of February 2019.

Further, the Board recommends a final dividend of INR 1.80/- per equity share of face value of INR 2/- each (90%) on the paid-up equity share capital of the Company, for the year under review. The total pay-out will amount to about INR 4,053 Lakhs excluding dividend distribution tax.

Pursuant to Regulation 43A of Listing Regulations, your Company has formulated a Dividend Distribution policy, which is available on website of the Company at https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/dividend_destribution_policy.pdf

TRANSFER TO RESERVE

Your Directors propose to transfer a sum of INR 12,000 Lakhs to General Reserve as recommended by the Audit Committee.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124 and Section 125 of Companies Act, 2013 and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year under review the Company has transferred the following dividend and corresponding shares to IEPF, upon completion of period of seven years:

Date of Declaration	Type of Dividend	Amount of Dividend transferred (in INR)	No. of shares transferred
July 20, 2011	Final	10,31,058.00	64,240
January 24, 2012	Interim	9,58,578.00	40,280

SUB-DIVISION OF SHARES

During the year under review, the Board of Directors at its meeting dated April 24, 2018 approved sub-division of the equity shares of INR 10/- each in the Authorised Equity Share Capital of the Company, into 5 (Five) equity shares having a face value of INR 2/- each.

The Members approved the proposal of sub-division at Annual General Meeting of the Company held on August 8, 2018. Subsequently, the Board of Directors fixed September 10, 2018, as the record date for this purpose.

Accordingly, the shareholding of the entitled Members in the Company, as on the said record date was adjusted in the ratio of 5:1 to give effect of the Sub-division.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of Companies Act, 2013 and related rules, the Extract of Annual Return in Form MGT-9 forms part of this Report as Annexure A.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, 7 (Seven) meetings of the Board of Directors were held, details of which are set out in the Corporate Governance Report which forms part of this report.

BOARD COMMITTEES

Detailed composition of the following permanent Committees of the Board of Directors, number of meetings held during the year under review and other related details, are set out in the Corporate Governance Report which forms part of this report:

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Nomination and Remuneration Committee
4. Stakeholders Relationship Committee
5. Banking Committee

BOARD'S REPORT *(Contd.)*

There had been no instances during FY 2018-19 where the Board had not accepted any recommendation, of any of the Committees of the Board.

Further, pursuant to Regulation 21 of Listing Regulations the Board of Directors at its meeting held on January 21, 2019, constituted Risk Management Committee with effect from April 1, 2019.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

The Directors confirm that:

a) in the preparation of the annual accounts for the Financial Year ended March 31, 2019, the applicable accounting standards had been followed and there were no material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year as at March 31, 2019 and of the profit and loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS

The Company has received Certificate of Independence from the Independent Directors *inter- alia*, pursuant to Section 149 of the Companies Act, 2013, and under Listing Regulations confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company, as on the date. The said Certificate(s) were taken on record by the Board, at its Meeting held on April 30, 2019 after requisite due assessment.

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS AND DISCLOSURES ABOUT REMUNERATION OF DIRECTORS

All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company, along with criteria for such payments and disclosures on the remuneration of the Directors along with their shareholding are disclosed in Corporate Governance Report which forms part of this Report and/or available on the website of the Company, pursuant to relevant regulations.

NOMINATION & REMUNERATION POLICY

The Company has nomination and remuneration policy (Policy) on nomination and remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel (SMP) and other employees, in terms of provisions of the Companies Act, 2013 and Listing Regulations, as amended from time to time.

The salient features of the Policy, are:

1. appointment and remuneration of Directors, KMP and SMP.
2. determination of qualifications, positive attributes and independence for appointment of a Director (Executive/ Non-Executive/Independent) and recommendation to the Board matters relating to the remuneration for the Directors, KMP and SMP.
3. formulating the criteria for performance evaluation of all Directors.
4. Board Diversity

Further, during the year under review, Company amended the Policy pursuant to the amended Listing Regulations.The said Policy is available on the website of Company at https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/NRC%20policy%20%281%29.pdf

SECRETARIAL STANDARDS

Your Company complies with the applicable Secretarial Standards.

BOARD'S REPORT *(Contd.)*

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees or Investments given pursuant to Section 186 are as under:

Particulars	Amount (INR in Lakhs)
Loan	Please refer Note No. 6(d) and 36 of Notes to Accounts
Guarantee	Please refer Note No. 6(d) and 36 of Notes to Accounts
Investment	Please refer Note No. 6(a) of Notes to Accounts

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the Financial Year, were on arm's length basis and in the ordinary course of business.

The requisite approval of the Audit Committee is obtained on periodic basis for the transactions, which are repetitive in nature or otherwise. The actual transactions entered into, pursuant to the approval so granted, are placed periodically, before the Audit Committee.

During FY 2018-19, no materially significant related party transactions were entered into by the Company, that may have potential conflict with the interests of Company, at large.

The Policy on related party transactions formulated by the Company was revised during the FY 2018-19, in line with the amended Listing Regulations.

The Policy is available on the website of the Company at https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Policy%20on%20RPT%20%281%29.PDF

PARTICULARS OF MATERIAL TRANSACTIONS, CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The Company has not entered in to any material transaction with related parties, during the year under review, which requires reporting in Form AOC-2 in terms of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. However, the requisite disclosures under IND AS forms part of the Notes to Accounts.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial year on March 31, 2019 to which the financial statements relate and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions relating to disclosure of details regarding energy consumption, both total and per unit of production are not applicable as the Company is engaged in the services sector and provides IT and IT related services.

Particulars prescribed under Section 134(3)(m) of The Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 in respect of technology absorption are set out in Annexure B to this report.

Particulars regarding Foreign Exchange earnings and outgo as on March 31, 2019 are:

(INR in Lakhs)

Particulars	FY 2018-19	FY 2017-18
Foreign Exchange Earnings	1,30,633	1,21,736
Foreign Exchange Outgo	3,893	11,588

Particulars regarding R & D expenditure during the year are given in Note No. 5 of Notes to Accounts.

RISK MANAGEMENT

A detailed report on Risk Management is included in Management Discussion and Analysis which forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR activities at the Company were undertaken primarily through RPG Foundation, which in turn is committed to undertaking CSR activities across all group companies of RPG, except the Employee Skill Development program. The Company is proud to say that over 13% of associates volunteered to give their time and energy, aligning with the CSR programs.

BOARD'S REPORT *(Contd.)*

Few of the highlights in the areas of Community Development, Education, Digital Literacy, Employability Enhancement and Environment sustenance are:

- *Community Development:* This year saw the expansion of interventions. About 51,799 people have been checked across Pune, Hyderabad and Bangalore under Netranjali - a free eye check-up program that not only checks eyesight and provides free spectacles to people in communities but also educates them about precautions to be followed to prevent eye diseases and disorders. 70 women across Pune and 48 across Bangalore benefitted from "Swayam" - a two-wheeler driving course for women. A bed-side nursing program called "Sanjeevani" and an Entrepreneurship program were also introduced in Pune to increase employment opportunities for women and youth. Under Sanjeevani, 265 women benefitted and 118 have been placed till date in hospitals such as Medipoint, Kothari, Sahyadri and in critical care centers across Pune and Hyderabad. 12 people have successfully started their businesses through the entrepreneurship program. In addition, livelihood generation programs in the areas of Fashion Designing, AC, Refrigerator and mobile repairing, Beautician etc. were undertaken for the benefit of underprivileged communities in Pune & Hyderabad.

- *Education:* This year was a year of expansion wherein Library, IT Literacy and Udaan English proficiency were introduced in three new government schools. Pehlay Akshar teachers training program benefitted about 117 teachers across Nagar Road Ward through 3 trainings and more than 20 'Saathi sessions' every week (coaching session). The Company reached out to about 4,750 students in this year. The Udaan English proficiency program and IT literacy continued in Hyderabad reaching out to around 900 students.

- *National Digital Literacy Mission (NDLM) centers and buses:* In FY 2018-19, the digital literacy program aids the National Digital Literacy Mission, wherein at least one person from every household in India, should be digitally literate by the year 2020. The Company reached out to about 300 households in Pune, of which about 360 people have become digitally literate. On the other hand, two digital literacy centers were opened during the year, in Hyderabad and Bangalore aimed at training 2000 people.

- *The Employability Skills Development program:* Under this program around 1,776 students from Tier-3 and Tier-4 engineering colleges received more than 220 hours of employability related free trainings in technical, digital and business communication skills. These trainings were conducted by corporate trainers as per the need of IT industry. After completion of the training, around 70% of students received job offers from various companies.

- *Environment Sustenance:*

  The 2-acre Biodiversity Park which was developed in September 2012 in partnership with the Pune municipal corporation, is being maintained actively. The park continues to attract on an average of 300 visitors daily. More than 10 Biodiversity and Sustainability sessions were conducted through the year, to create focused outreach for the Park. A total of about 221 floral and 48 faunal species were recorded in the Park. Introduction of more native species of plants was a focus this year, and community participation was welcomed for the same. 4 water huts were installed in 4 Government schools to provide clean drinking water to children in Hyderabad.

  A detailed report on CSR activities along with CSR Policy is attached to this report here as Annexure C.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Directors

During the year under review, following change(s) occurred in the Board of Directors of the Company:-

i) Appointment

Mr. Anant Goenka was appointed as an Additional Director by the Board at its meeting held on January 21, 2019 to hold office up to the date of this Annual General Meeting of the Company pursuant to *inter-alia* Section 161 of the Companies Act, 2013 and related rules. On recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed appointment of Mr. Anant Goenka (DIN: 02089850) as a Non-Executive Non-Independent Director, liable to retire by rotation effective from the date of this Annual General Meeting.

Further, on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on April 30, 2019 has approved change in the categorisation of Mr. Arvind Agrawal (DIN 00193566) from Non-Executive, Non-Independent Director, liable to retire by rotation to Non-Executive, Independent Director, not liable to retire by rotation.

BOARD'S REPORT *(Contd.)*

Accordingly, Mr. Agrawal ceased to be Non-Executive, Non-Independent Director, effective April 30, 2019. The Board in the same meeting, as per the recommendation of the Nomination and Remuneration Committee, approved appointment of Mr. Arvind Agrawal as an Additional Director in the capacity of Independent Director not liable to retire by rotation *inter-alia* pursuant to Section 149, 152 of the Companies Act, 2013 and Regulation 16(b) of Listing Regulations for a period of 5 years, from May 1, 2019 to April 30, 2024, subject to approval by the Members at the 56th Annual General Meeting.

Mr. Agrawal has given Certificate of Independence, confirming that he fulfils the criteria to be appointed as Independent Director, prescribed, under Companies Act, 2013 and Listing Regulations, which has been taken on record by the Board at its Meeting held on April 30, 2019.

Further, Mr. A. T. Vaswani (DIN 00057953) and Mr. Venkatesh Kasturirangan (DIN 00804869) hold office as Non-Executive Independent Director(s) on the Board of the Company, being their first term, *inter-alia*, pursuant to the provisions of Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, up to March 31, 2020.

As per Section 149(10), Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan are eligible for second term, effective from April 1, 2020 till March 31, 2025 as Independent Director(s) on the Board of the Company post expiry of the first term.

The Nomination and Remuneration Committee, based on apropos business expertise, qualifications and the performance evaluation of Mr. A. T. Vaswani and Mr. Venkatesh Kasturirangan, recommended to the Board, their re-appointment for the second term of 5 (five) consecutive years effective from April 1, 2020 till March 31, 2025. The Board at its meeting held on April 30, 2019 has recommended the same for approval of the Members.

Further, Mr. Vaswani has already completed 75 years of age whereas Mr. Kasturirangan will be completing 75 years of age during the course of second term. Hence, their re-appointment would entail Members' approval by way of special resolution and accordingly Board has proposed respective resolution(s) for approval of the Members.

The Company has received requisite proposal(s) from Members of the Company, in respect of appointment of directors proposed at this Annual General Meeting. The Board of Directors accordingly recommends respective appointment(s) for approval by Members.

ii) Resignation

Ms. Tanuja Randery, (DIN-08014909) Non-Executive Independent Director, tendered resignation from the Board of the Company, dated April 30, 2019, effective from May 31, 2019 due to time constraints arising out of her professional commitments. She has conveyed that considering professional commitments, she is unable to devote sufficient time, required of an Independent Director of the Company and therefore willingly tendered resignation effective May 31, 2019. She further confirmed that there is no other material reason, for her resignation.

B. Key Managerial Personnel

During the year under review, there were no change(s) in the Key Managerial Personnel of the Company.

DEPOSITS

During the year under review, the Company has not accepted Deposits under Chapter V of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

CHANGE IN THE NATURE OF THE BUSINESS

During the year under review, there was no change in the nature of the business pursuant to *inter-alia* Section 134 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

INTERNAL FINANCIAL CONTROL

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis Repart which forms part of this Report.

BOARD'S REPORT *(Contd.)*

INFORMATION PURSUANT SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company excluding Managing Director for the financial year.	Please refer Annexure D to this Report for details.
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	
3	The percentage increase in the median remuneration of employees.	The percentage increase in the median remuneration in the FY 2018-19 of employees on India Payroll was 7.7% *
4	The number of permanent employees on the rolls of Company. (in India)	6,964
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase made in the salaries of the employees other than the managerial personnel in the last financial year is 6.7% for India based associates. Considering 0% increment employees, average percentile increase is 46.9 percentile.
6	The key parameters for any variable component of remuneration availed by the Directors.	Directors are paid commission for each Financial Year which are within the limit as approved by the Members.

The remuneration to employees of the Company is as per the remuneration policy of the Company.

* The percentage increase in the median remuneration of employees has been calculated after excluding Managing Director's remuneration. Mr. Sandeep Kishore, Managing Director and CEO has not received any directors' commission during the year from the Company nor any of its subsidiary(ies).

Particulars of employees pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed with this report as Annexure E.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the Section 177(9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has established a Vigil mechanism/Whistle blower Policy for Directors and employees to report their genuine concerns. The Policy provides for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Governance and Ethics. The policy is available on the website of the Company at https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Whistle-Blower-Policy.pdf

Further, during the FY 2018-19, no personnel has been denied access to the Audit committee

INTER-SE RELATIONSHIPS BETWEEN THE DIRECTORS

There are no relationships between the Directors *inter-se*, except between Mr. Anant Goenka and Mr. H. V. Goenka. Mr. Anant Goenka is son of Mr. H. V. Goenka, Chairman.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7) of Listing Regulations, the Company has conducted Familiarisation programmes and/or sessions for the Independent Directors and Board as a whole during the FY 2018-19. Details of the same are

BOARD'S REPORT *(Contd.)*

available on the website of the Company at https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/FAMILIARISATION%20PROGRAMMES%20FOR%20INDEPENDENT%20DIRECTORS.PDF

FORMAL ANNUAL EVALUATION OF BOARD AND ITS COMMITTEES

Pursuant to provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Nomination and Remuneration Committee has laid down criteria for evaluating Board effectiveness by assessing performance of the Board as a whole, performance of individual Director and permanent Committees of the Board.

Further, the Nomination and Remuneration Committee has laid down structure for evaluating Board effectiveness and engaged a third-party agency to conduct Board effectiveness survey during the year under review. The survey findings were then considered while conducting the requisite evaluations *inter-alia* under the provisions of the Companies Act, 2013 and Listing Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report is annexed to this Report as Annexure F.

AUDITORS

Statutory Auditor:

M/s. Deloitte Haskins and Sells LLP, the Statutory Auditors of the Company, has been appointed to conduct the audit of the Financial statement(s) of the Company from FY 2017-18 till FY 2021-22.

Pursuant to the Companies (Amendment) Act, 2017 which came in to force on May 7, 2018, appointment of Statutory Auditors is not subject to annual ratification at the Annual General Meeting and accordingly not being placed at the 56th Annual General Meeting for approval of Members.

Further, there was no instance of fraud reported by the Statutory Auditors during the FY 2018-19, as required under Section 134 of the Companies Act, 2013 and rules thereunder.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. SVD & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR – 3 is annexed herewith as Annexure G.

Further, Pursuant to SEBI circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Annual Secretarial Compliance Report submitted by M/s SVD & Associates, also forms part of the Boards' Report as Annexure H.

The said report(s) do not contain any qualification, reservation or adverse remarks except observation with respect to gap/delay in filing(s) as stated therein.

In this behalf, your Directors state that for the inadvertent minor gap/delay in filing, the Company has put in place requisite framework to focus on said compliances.

The Board has re-appointed M/s SVD & Associates, to undertake the Secretarial Audit of the Company for the FY 2019-20.

Further, during the FY 2018-19 and two previous financial years, no penalties, strictures were imposed on the Company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets.

Internal Auditors

The Board had appointed Ernst and Young LLP, Pune as Internal Auditors for the FY2018-19 under Section 138 of the Companies Act, 2013. The appointment of Ernst and Young LLP, Pune as Internal Auditors continues for the FY2019-20.

CORPORATE GOVERNANCE

A detailed report on the same for FY 2018-19 along with the practicing Company Secretary's certification thereof is provided in the corporate governance section of this report at Annexure I.

BOARD'S REPORT *(Contd.)*

EMPLOYEES STOCK OPTION PLAN

Currently, the Company has three Employees Stock Option Schemes in force namely, "2002 Employees Stock Option Scheme" (2002 ESOS), "2006 Employees Stock Option Scheme" (2006 ESOS) and Employee Performance Award Unit Plan, 2016 (2016 EPAP) and these schemes are being implemented, as per by SEBI regulations, in this regard.

In FY 2018-19, 24,750 equity shares and 1,29,626 equity shares were allotted under 2002 ESOS and 2006 ESOS, respectively. No equity shares were allotted under 2016 EPAP. The Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at https://www.zensar.com/investor/financials.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy, *inter-alia*, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress the complaints. The following is the summary of complaints received and disposed-off during the year under review:

Number of complaints received	2
Number of complaints disposed off	2

BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations the Business Responsibility Report under Regulation 34 (2) (f) forms part of this Report and annexed herewith as Annexure J.

ACKNOWLEDGEMENTS

The Board places on record its appreciation of the contribution of associates at all levels, customers, business and technology partners, vendors, investors, Government Authorities and all other stakeholders towards the performance of the Company during the year under review.

For and on behalf of the Board

Place: Mumbai
Dated: April 30, 2019

H.V. Goenka
Chairman

Note: *All the Annexures referred in the Board's Report form an integral part of the same, unless otherwise stated. The entire annual report alongwith the notice convening the AGM is to be read together.*

Annexure A to the Board's Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L72200PN1963PLC012621
ii)	Registration date	29-03-1963
iii)	Name of the Company	Zensar Technologies Limited
iv)	Category/Sub category of the Company	• Company Limited by Shares • Indian Non-Government Company
v)	Address of the Registered office and contact details	Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road, Pune – 411014 Tel. No. 020 6605 7500 Fax No. 020 6605 7888 Email Address: investor@zensar.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	**Karvy Fintech Private Limited** Address: Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi TG 500032 **Tel. No.** +91 40 67161571 **Fax No.** +91 40 23001153 **Email ID:** einward.ris@karvy.com

II. All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Software Development and allied services	620	99.00%

Annexure A to the Board's Report *(Contd.)*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<tr><th>Sl. No.</th><th>Name and Address of the Company</th><th>CIN/GLN</th><th>Holding / Subsidiary / Associate</th><th>% of shares held</th><th>Applicable Section</th></tr>
<tr><td>1</td><td>Zensar Technologies Inc., USA</td><td rowspan="21">Not Applicable</td><td rowspan="23">Subsidiary</td><td rowspan="20">100%</td><td rowspan="23">2(87)(ii)</td></tr>
<tr><td>2</td><td>Professional Access Limited, USA</td></tr>
<tr><td>3</td><td>PSI Holding Group Inc., USA</td></tr>
<tr><td>4</td><td>Zensar Technologies IM Inc., USA (erstwhile Akibia Inc.)</td></tr>
<tr><td>5</td><td>Zensar Technologies IM B.V., Netherlands(erstwhile Akibia B. V.)</td></tr>
<tr><td>6</td><td>Aquila Technology Corp., USA</td></tr>
<tr><td>7</td><td>Zensar Technologies (Shanghai) Co. Ltd, China</td></tr>
<tr><td>8</td><td>Zensar Info Technologies (Singapore) Pte. Ltd., Singapore</td></tr>
<tr><td>9</td><td>Zensar Technologies (Singapore) Pte. Ltd, Singapore</td></tr>
<tr><td>10</td><td>Zensar Technologies (UK) Limited, UK</td></tr>
<tr><td>11</td><td>Foolproof Ltd. UK</td></tr>
<tr><td>12</td><td>Knit Ltd. UK</td></tr>
<tr><td>13</td><td>Foolproof (SG) Pte. Ltd, Singapore.</td></tr>
<tr><td>14</td><td>Keystone Logic Inc., USA</td></tr>
<tr><td>15</td><td>Cynosure Inc.</td></tr>
<tr><td>16</td><td>Cynosure APAC Pty. Ltd.</td></tr>
<tr><td>17</td><td>Indigo Slate Inc.</td></tr>
<tr><td>18</td><td>Keystone Logic Mexico, S. DE R.L. DE C.V., Mexico[1]</td></tr>
<tr><td>19</td><td>Keystone Technologies Mexico, S. DE R.L. DE C.V., Mexico[1]</td></tr>
<tr><td>20</td><td>Zensar (Africa) Holdings Proprietary Limited, South Africa</td></tr>
<tr><td>21</td><td>Zensar (South Africa) Proprietary Limited, South Africa</td><td>74.99%</td></tr>
<tr><td>22</td><td>Cynosure Interface Services Private Limited, India</td><td>U72200KA2014PTC077487</td><td rowspan="2">100%</td></tr>
<tr><td>23</td><td>Zensar IT Services Limited[2]</td><td>U72900PN2018PLC174305</td></tr>
</table>

Note:

[1] During the year, Zensar Technologies Inc. a wholly owned subsidiary, formed two subsidiary companies, in Mexico viz. Keystone Logic Mexico, S. DE R.L. DE C.V. and Keystone Technologies Mexico, S. DE R.L. DE C.V.;

[2] The Company is under process of being voluntarily striked-off.

Annexure A to the Board's Report *(Contd.)*

IV) SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding as of March 31, 2019

Category of Shareholders	No. of shares as on April 1, 2018				No of shares as on March 31, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	29,625	-	29,625	0.07	1,48,125	-	1,48,125	0.07	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,19,62,587	-	2,19,62,587	48.82	10,98,92,671	-	10,98,92,671	48.80	-0.02
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	**2,19,92,212**	**-**	**2,19,92,212**	**48.89**	**11,00,40,796**	**-**	**11,00,40,796**	**48.87**	**-0.02**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Others - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**2,19,92,212**	**-**	**2,19,92,212**	**48.89**	**11,00,40,796**	**-**	**11,00,40,796**	**48.87**	**-0.02**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8,28,566	700	8,29,266	1.84	45,09,068	3,500	45,12,568	2.00	0.16
b) Banks/ FI	4,805	1,014	5,819	0.01	1,11,958	5,070	1,17,028	0.05	0.04
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Annexure A to the Board's Report *(Contd.)*

Category of Shareholders	No. of shares as on April 1, 2018				No of shares as on March 31, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	1,000	500	1,500	0.01	5,000	2,500	7,500	0.01	0.00
g) FIIs	41,52,022	950	41,52,972	9.23	8,41,262	500	8,41,762	0.37	-8.86
h) Foreign Portfolio Investor	28,62,652	-	28,62,652	6.36	3,77,57,247	-	3,77,57,247	16.77	10.40
i) Alternate Investment Fund	2,81,683	-	2,81,683	0.63	4,50,110	-	4,50,110	0.20	-0.43
j) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
k) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1) :-	**81,30,728**	**3,164**	**81,33,892**	**18.08**	**4,36,74,645**	**11,570**	**4,36,86,215**	**19.40**	**1.32**
2. Central / State government(s)									
a) Central Government/ State Government(s)/ President of India	**1,39,457**	**-**	**1,39,457**	**0.31**	**-**	**-**	**-**	**-**	**-0.31**
Sub-total (B) (2) :-	**1,39,457**	**-**	**1,39,457**	**0.31**	**-**	**-**	**-**	**-**	**-0.31**
3. Non-Institutions									
a)									
i) Bodies Corporate	5,91,478	10,687	6,02,165	1.34	20,99,220	47,810	21,47,030	0.95	-0.39
ii) Corporate Bodies-NBFC #	2,500	-	2,500	0.01	-	-	-	-	-0.01
iii) Clearing Members	31,114	-	31,114	0.07	2,09,531	100	2,09,631	0.09	0.02
iv) Foreign Portfolio Investor (Category - III)	60	-	60	0.00	-	-	-	0.09	0.09
v) Unclaimed Suspense Account	24,804	-	24,804	0.06	85,635	-	85,635	0.04	-0.02
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs. 2 lakh	28,47,675	4,81,737	33,29,412	7.40	1,30,22,930	18,87,625	1,49,10,555	6.62	-0.78
ii) Individual shareholders holding nominal share Capital in excess of Rs. 2 lakh	1,77,125	2,000	1,79,125	0.40	7,18,815	-	7,18,815	0.32	-0.08

Annexure A to the Board's Report *(Contd.)*

Category of Shareholders	No. of shares as on April 1, 2018				No of shares as on March 31, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
(c-i) Overseas Corporate Bodies	1,03,01,294	-	1,03,01,294	22.89	5,15,06,470	-	5,15,06,470	22.87	-0.03
(c-ii) Non Resident Individuals	2,18,540	1,308	2,19,848	0.48	9,17,124	5,290	9,22,414	0.41	-0.07
(c-iii) Trusts	34,205	-	34,205	0.07	82,479	-	82,479	0.04	-0.03
d) IEPF	-	-	-	-	8,74,880	-	8,74,880	0.29	0.29
Sub-total (B) (3) :-	**1,42,28,795**	**4,95,732**	**1,47,24,527**	**32.72**	**6,95,17,084**	**19,40,825**	**7,14,57,909**	**31.73**	**-0.99**
Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	**2,24,98,980**	**4,98,896**	**2,29,97,876**	**51.17**	**11,31,91,729**	**19,52,395**	**11,51,44,124**	**51.13**	**0.04**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**4,44,91,192**	**4,98,896**	**4,49,90,088**	**100.00**	**22,32,32,525**	**19,52,395**	**22,51,84,920**	**100.00**	**-**

Annexure A to the Board's Report *(Contd.)*

ii). Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of shares at the beginning of the year (as on April 1, 2018 i.e. on the basis of shareholding pattern of March 31, 2018)			No of shares at the end of the year (as on March 31, 2019 i.e. on the basis of shareholding pattern of March 31, 2019)			% change in the shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Swallow Associates LLP	1,21,10,188	26.92	-	6,05,50,940	26.89	-	-0.03
2	Summit Securities Limited	49,36,107	10.97	-	2,46,80,535	10.96	-	-0.01
3	Instant Holdings Limited	37,37,826	8.31	-	1,86,89,130	8.30	-	-0.01
4	Sofreal Mercantrade Pvt. Ltd.	11,32,388	2.52	-	57,41,676	2.55	-	0.03
5	Chattarpati Apartments LLP	45,700	0.10	-	2,28,500	0.10	-	0.00
6	Sudarshan Electronics and TV Ltd.	1	0.00	-	5	0.00		0.00
7	Crystal India Tech Trust through Trustee, Mr. H.V. Goenka	372	0.00	-	1,860	0.00	-	0.00
8	Nucleus Life Trust through Trustee, Mr. H.V. Goenka	1	0.00	-	5	0.00	-	0.00
9	Stellar Energy Trust through Trustee, Mr. H.V. Goenka	1	0.00	-	5	0.00	-	0.00
10	Mr. Harsh Monitor Portfolio Trust through Trustee, Mr. H.V. Goenka	1	0.00	-	5	0.00	-	0.00
11	Secura India Trust through Trustee, Mr. H.V. Goenka	1	0.00	-	5	0.00	-	0.00
12	Prism Estates Trust through Trustee, Mr. H.V. Goenka	1	0.00	-	5	0.00	-	0.00
13	Mr. H.V. Goenka	29,625	0.07	-	1,48,125	0.07	-	0.00
	Total	**2,19,92,212**	**48.89**	**-**	**11,00,40,796**	**48.87**	**-**	**-0.02**

Note :
The term 'encumbrance' has the same meaning as assign to it in regulations 28(3) of the SAST Regulations, 2011.
The number of shares are appropriately adjusted for sub-division during the year.

Annexure A to the Board's Report *(Contd.)*

iii) Change in Promoter Shareholding

	Shareholding at the beginning of the year 31/03/2018		Shareholding at the end of the year 31/03/2019	
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
At the beginning of the year	2,19,92,212	48.88	2,19,92,212	48.89
Stock Split			10,99,61,060	48.89
Increase on March 8, 2019	34,256	0.08	10,99,95,316	48.85
Increase on March 11, 2019	21,985	0.05	11,00,17,301	48.86
Increase on March 12, 2019	14,770	0.03	11,00,32,071	48.86
Increase on March 13, 2019	8,725	0.02	11,00,40,796	48.87
At the end of the year			11,00,40,796	48.87

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
1	Marina Holdco (FPI) Ltd	1,03,01,294	31-Mar-18	0		1,03,01,294	4.57
			14-Sep-18	0	Stock Split	5,15,06,470	22.87
		5,15,06,470	31-Mar-19	0		5,15,06,470	22.87
2	Amansa Holdings Private Limited	21,36,385	31-Mar-18	0		21,36,385	0.95
			06-Apr-18	17,779	Transfer	21,54,164	0.96
			14-Sep-18	0	Split	1,07,70,820	4.78
			28-Sep-18	-9,53,891	Transfer	98,16,929	4.36
			01-Mar-19	32,79,483		1,30,96,412	5.82
		1,30,96,412	31-Mar-19	0		1,30,96,412	5.82
3	FIAM Group Trust For Employee Benefit Plans - FIAM Emerging Markets Commingled Pool	12,85,707	31-Mar-18	0		12,85,707	0.57
			06-Apr-18	2,262	Transfer	12,87,969	0.57
			22-Jun-18	42,719		13,30,688	0.59
			29-Jun-18	3,041		13,33,729	0.59
			06-Jul-18	3,254		13,36,983	0.59

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
			13-Jul-18	2,225	Transfer	13,39,208	0.59
			20-Jul-18	3,394		13,42,602	0.60
			27-Jul-18	8,700		13,51,302	0.60
			07-Sep-18	-7,561		13,43,741	0.60
			10-Sep-18	306		13,44,047	0.60
		67,22,994	14-Sep-18	2,759	Split/Transfer	67,22,994	2.99
			21-Sep-18	-96,921	Transfer	66,26,073	2.94
			28-Sep-18	-4,21,143		62,04,930	2.76
			05-Oct-18	2,012		62,06,942	2.76
			12-Oct-18	1,13,488		63,20,430	2.81
			26-Oct-18	-3,149		63,17,281	2.81
			02-Nov-18	-4,81,086		58,36,195	2.59
			09-Nov-18	-13,111		58,23,084	2.59
			16-Nov-18	-17,717		58,05,367	2.58
			23-Nov-18	-10,219		57,95,148	2.57
			30-Nov-18	-8,05,177		49,89,971	2.22
			07-Dec-18	-26,147		49,63,824	2.20
			14-Dec-18	-2,24,078		47,39,746	2.10
			21-Dec-18	-20,382		47,19,364	2.10
			28-Dec-18	-15,772		47,03,592	2.09
			31-Dec-18	-24,289		46,79,303	2.08
			04-Jan-19	-2,59,868		44,19,435	1.96
			11-Jan-19	-75,456		43,43,979	1.93
			18-Jan-19	-88,992		42,54,987	1.89
			25-Jan-19	-33,721		42,21,266	1.87
			01-Feb-19	-2,86,759		39,34,507	1.75
			08-Feb-19	-1,76,132		37,58,375	1.67
			15-Feb-19	-23,959		37,34,416	1.66
			22-Feb-19	-24,353		37,10,063	1.65
			01-Mar-19	-23,32,133		13,77,930	0.61

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
			08-Mar-19	3,600	Transfer	1,3.81,530	0.61
			15-Mar-19	11,283		1,3.92,813	0.62
			22-Mar-19	1,600		1,3.94,413	0.62
			29-Mar-19	33,044		1,4.27,457	0.63
		14,27,457	31-Mar-19	0		1,4.27,457	0.63
4	Fidelity Advisor Series I - Fidelity Advisor Small Cap Fund	8,68,049	31-Mar-18	0		8,68,049	0.39
			14-Sep-18	0	Split	43,40,245	1.93
			05-Oct-18	-23,612	Transfer	43,16,633	1.92
			12-Oct-18	-3,30,088		39,86,545	1.77
			01-Feb-19	-2,14,322		37,72,223	1.68
			08-Feb-19	-1,33,399		36,38,824	1.62
			15-Feb-19	-12,780		36,26,044	1.61
			22-Feb-19	-16,852		36,09,192	1.60
			01-Mar-19	-12,162		35,97,030	1.60
		35,97,030	31-Mar-19	0		35,97,030	1.60
5	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	8,00,000	31-Mar-18	0		8,00,000	0.36
			14-Sep-18	0	Split	40,00,000	1.78
			12-Oct-18	-45,950	Transfer	39,54,050	1.76
			19-Oct-18	-28,563		39,25,487	1.74
			26-Oct-18	-22,484		39,03,003	1.73
			02-Nov-18	-3,77,206		35,25,797	1.57
			09-Nov-18	-6,000		35,19,797	1.56
			16-Nov-18	-15,140		35,04,657	1.56
			23-Nov-18	-4,657		35,00,000	1.55
		35,00,000	31-Mar-19	0		35,00,000	1.55

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
6	HDFC Trustee Company Ltd A/C - HDFC Children's Gift Fund - Investment Plan	6,38,133	31-Mar-18	0		6,38,133	0.28
			27-Apr-18	33,000	Transfer	6,71,133	0.30
			04-May-18	17,100		6,88,233	0.31
			08-Jun-18	-6,88,233		0	0.00
			31-Mar-19	0		0	0.00
7	Vivog Commercial Limited	3,09,709	31-Mar-18	0		3,09,709	0.14
			06-Apr-18	-4,802		3,04,907	0.14
			13-Apr-18	-6,144		2,98,763	0.13
			20-Apr-18	-2,000		2,96,763	0.13
			27-Apr-18	-9,236		2,87,527	0.13
			04-May-18	-2,332		2,85,195	0.13
			25-May-18	-23,894	Transfer	2,61,301	0.12
			08-Jun-18	-1,112		2,60,189	0.12
			15-Jun-18	-33,709		2,26,480	0.10
			22-Jun-18	-53,639		1,72,841	0.08
			29-Jun-18	-2,164		1,70,677	0.08
			06-Jul-18	-6,256		1,64,421	0.07
			14-Sep-18	0	Split	8,22,105	0.37
		8,22,105	31-Mar-19	0		8,22,105	0.37
8	IIFL Asset Revival Fund Series 2	2,54,681	31-Mar-18	0		2,54,681	0.11
			18-May-18	-1,99,000	Transfer	55,681	0.02
			25-May-18	-55,681		0	0.00
			31-Mar-19	0		0	0.00

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
9	ICICI Securities Limited	2,45,200	31-Mar-18	0		2,45,200	0.11
			06-Apr-18	-2,44,806	Transfer	394	0.00
			13-Apr-18	5,594		5,988	0.00
			20-Apr-18	-3,474		2,514	0.00
			27-Apr-18	4,045		6,559	0.00
			04-May-18	-4,393		2,166	0.00
			11-May-18	-1,346		820	0.00
			18-May-18	671		1,491	0.00
			25-May-18	1,041		2,532	0.00
			01-Jun-18	-2,036		496	0.00
			08-Jun-18	191		687	0.00
			15-Jun-18	-555		132	0.00
			22-Jun-18	226		358	0.00
			29-Jun-18	512		870	0.00
			06-Jul-18	-662		208	0.00
			13-Jul-18	94		302	0.00
			20-Jul-18	537		839	0.00
			27-Jul-18	60		899	0.00
			31-Jul-18	-544		355	0.00
			01-Aug-18	-3		352	0.00
			03-Aug-18	-31		321	0.00
			08-Aug-18	200		521	0.00
			10-Aug-18	-117		404	0.00
			17-Aug-18	4,353		4,757	0.00
			24-Aug-18	-2,991		1,766	0.00
			31-Aug-18	-177		1,589	0.00
			07-Sep-18	-1,304		285	0.00
			10-Sep-18	-285		0	0.00
			14-Sep-18	700		700	0.00
			21-Sep-18	628		1,328	0.00

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
			28-Sep-18	-1,143	Transfer	185	0.00
			05-Oct-18	9,107		9,292	0.00
			12-Oct-18	-9,242		50	0.00
			19-Oct-18	868		918	0.00
			26-Oct-18	28		946	0.00
			02-Nov-18	-829		117	0.00
			09-Nov-18	-24		93	0.00
			16-Nov-18	235		328	0.00
			23-Nov-18	-186		142	0.00
			30-Nov-18	210		352	0.00
			07-Dec-18	-51		301	0.00
			14-Dec-18	360		661	0.00
			21-Dec-18	2,399		3,060	0.00
			28-Dec-18	-3,040		20	0.00
			31-Dec-18	150		170	0.00
			04-Jan-19	270		440	0.00
			11-Jan-19	1,045		1,485	0.00
			18-Jan-19	-89		1,396	0.00
			25-Jan-19	-1,396		0	0.00
			01-Feb-19	130		130	0.00
			08-Feb-19	319		449	0.00
			15-Feb-19	-103		346	0.00
			22-Feb-19	-345		1	0.00
			01-Mar-19	238		239	0.00
			08-Mar-19	203		442	0.00
			15-Mar-19	3,306		3,748	0.00
			22-Mar-19	-3,673		75	0.00
			29-Mar-19	-2		73	0.00
		73	31-Mar-19	0		73	0.00

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
10	Dimensional Emerging Markets Value Fund	1,65,883	31-Mar-18	0		1,65,883	0.07
			14-Sep-18	0	Split	8,29,415	0.37
			15-Feb-19	4,696	Transfer	8,34,111	0.37
		8,34,111	31-Mar-19	0		8,34,111	0.37
11	First State Indian Subcontinent Fund		31-Mar-18	0		0	0.00
			06-Apr-18	17,608	Transfer	17,608	0.01
			13-Apr-18	584	Transfer	18,192	0.01
			27-Apr-18	29,624	Transfer	47,816	0.02
			11-May-18	11,896	Transfer	59,712	0.03
			18-May-18	1,92,177	Transfer	2,51,889	0.11
			03-Aug-18	66,889	Transfer	3,18,778	0.14
			24-Aug-18	24,550	Transfer	2,94,228	0.13
			14-Sep-18	0	Split	14,71,140	0.65
			05-Oct-18	-5,035	Transfer	14,66,105	0.65
			30-Nov-18	2,50,828	Transfer	17,16,933	0.76
			07-Dec-18	6,056	Transfer	17,22,989	0.77
			14-Dec-18	1,70,554	Transfer	18,93,543	0.84
			28-Dec-18	2,96,969	Transfer	21,90,512	0.97
			04-Jan-19	61,925	Transfer	22,52,437	1.00
			11-Jan-19	25,564	Transfer	22,78,001	1.01
			18-Jan-19	23,029	Transfer	23,01,030	1.02
			25-Jan-19	3,452	Transfer	23,04,482	1.02
			01-Feb-19	1,32,006	Transfer	24,36,488	1.08
		24,36,488	31-Mar-19	0		24,36,488	1.08

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
12	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	0	31-Mar-18	0		0	0.00
			02-Nov-18	33,789	Transfer	33,789	0.02
			09-Nov-18	1,18,098	Transfer	1,51,887	0.07
			16-Nov-18	35,371	Transfer	1,87,258	0.08
			23-Nov-18	6,231	Transfer	1,93,489	0.09
			30-Nov-18	43,147	Transfer	2,36,636	0.11
			07-Dec-18	1,89,666	Transfer	4,26,302	0.19
			14-Dec-18	2,06,741	Transfer	6,33,043	0.28
			21-Dec-18	16,816	Transfer	6,49,859	0.29
			28-Dec-18	27,694	Transfer	6,77,553	0.30
			31-Dec-18	4,628	Transfer	6,82,181	0.30
			04-Jan-19	29,115	Transfer	7,11,296	0.32
			11-Jan-19	1,33,639	Transfer	8,44,935	0.38
			18-Jan-19	22,207	Transfer	8,67,142	0.39
			25-Jan-19	31,386	Transfer	8,98,528	0.40
			01-Feb-19	4,53,838	Transfer	13,52,366	0.60
			08-Feb-19	3,99,099	Transfer	17,51,465	0.78
			15-Feb-19	78,189	Transfer	18,29,654	0.81
			08-Mar-19	37,351	Transfer	18,67,005	0.83
			15-Mar-19	44,998	Transfer	19,12,003	0.85
			22-Mar-19	6,409	Transfer	19,18,412	0.85
		19,18,412	31-Mar-19	0		19,18,412	0.85

Annexure A to the Board's Report *(Contd.)*

Sr. No	Name	No. of Shares at the begining / End of the year	Date	Increase / Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
13	CAISSE DE Depot ET Placement DU QUEBEC-First State Investments International Limited	0	31-Mar-18	0		0	0.00
			06-Apr-18	8,171	Transfer	8,171	0.00
			27-Apr-18	13,294	Transfer	21,465	0.01
			11-May-18	5,338	Transfer	26,803	0.01
			18-May-18	86,243	Transfer	1,13,046	0.05
			03-Aug-18	37,073	Transfer	1,50,119	0.07
			14-Sep-18	0	Split	7,50,595	0.33
			05-Oct-18	-2,160	Transfer	7,48,435	0.33
			30-Nov-18	1,59,743	Transfer	9,08,178	0.40
			07-Dec-18	3,858	Transfer	9,12,036	0.41
			14-Dec-18	1,08,619	Transfer	10,20,655	0.45
			28-Dec-18	1,89,129	Transfer	12,09,784	0.54
			04-Jan-19	39,437	Transfer	12,49,221	0.55
			11-Jan-19	16,282	Transfer	12,65,503	0.56
			18-Jan-19	14,665	Transfer	12,80,168	0.57
			25-Jan-19	1,746	Transfer	12,81,914	0.57
			01-Feb-19	66,767	Transfer	13,48,681	0.60
		13,48,681	31-Mar-19	0		13,48,681	0.60
14	The Scottish Oriental Smaller Companies Trust PLC	0	31-Mar-18	0		0	0.00
			30-Nov-18	3,98,004	Transfer	3,98,004	0.18
			07-Dec-18	9,611	Transfer	4,07,615	0.18
			14-Dec-18	2,70,628	Transfer	6,78,243	0.30
			28-Dec-18	4,71,218	Transfer	11,49,461	0.51
			04-Jan-19	98,261	Transfer	12,47,722	0.55
			11-Jan-19	40,564	Transfer	12,88,286	0.57
			18-Jan-19	36,541	Transfer	13,24,827	0.59
			25-Jan-19	5,012	Transfer	13,29,839	0.59
			01-Feb-19	1,91,668	Transfer	15,21,507	0.68
		15,21,507	31-Mar-19	0		15,21,507	0.68

Note: The shareholding is as per information receiced from the RTA. (Transfer implies sale/purchase)

Annexure A to the Board's Report *(Contd.)*

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding		Date	increase/ decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at beginning 01.04.18 / end of the year 31.03.19	% of total shares of the Company				No. of shares	% of total shares of the Company
	Shareholding of Directors:							
1)	Mr. H.V. Goenka - Non Executive Chairman	29,625	0.07	01-Apr-18	-	NA	-	-
		1,48,125	0.07	31-Mar-19	-		-	-
2)	Mr. Harsh Mariwala, Independent & Non-Executive Director	4,050	0.00	01-Apr-18	-	-	-	-
				06-July-18	91	Market Sale	3,959	0.00
				13-July-18	402	Market Sale	3,557	0.00
				20-July-18	53	Market Sale	3,504	0.00
		17,520	0.01	31-Mar-19	-	-	-	-
3)	Mr. A.T. Vaswani, Independent & Non-Executive Director	10,000	0.02	01-Apr-18	-	NA	-	-
		50,000	0.02	31-Mar-19	-		-	-
	Shareholding of Key Managerial Personnel: NIL							

Note:
The shareholding details are given on the beneficial ownership and are appropriately adjusted for sub-division during the year.
Apart from above no other Director and Key Managerial Personnel holds any shares at the beginning and end of the Financial year 2018-19 in the Company.
Further apart from above there was no increase / decrease in shareholding of any other Director and Key Managerial Personnel.

Annexure A to the Board's Report *(Contd.)*

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lakhs)

Indebtedness at the beginning of the financial year 2018-19	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	935	-	-	935
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**935**	**-**	**-**	**935**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	290	-	-	290
Net Change	**290**	**-**	**-**	**290**
Indebtedness at the end of the financial year 31.03.19				
i) Principal Amount	645	-	-	645
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**645**	**-**	**-**	**645**

Annexure A to the Board's Report *(Contd.)*

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Sandeep Kishore	Total Amount (In INR)
1	**Gross salary**	**(Amount in INR)**	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,95,628	13,95,628
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	**Stock Option**	10,00,000 LTI Units have been granted during the fiinancial year under review.	-
3	**Sweat Equity**	-	-
4	**Commission:**	-	-
	- As a % of Profit	-	-
	- Others, specify	-	-
5	**Others, please specify**	-	-
	Contribution to PF	1,67,475	1,67,475
	Contribution to Gratuity	-	-
	Contribution to Superannuation Fund	-	-
	Consolidated Allowances	-	-
	Car Perquisite	-	-
	Sale of Assets (Perquisites)	-	-
	Total (A)	**15,63,103**	**15,63,103**
	Ceiling as per the Act - INR 13,75,65,050/- (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

Note :
*Excludes provision for compensated absences/Gratuity in respect of separate acturial valuation report for key managerial personnel.
In addiation to the above, Mr. Sandeep Kishore has also been paid a remuneration from Zensar Technologies, INC., USA as disclosed in the notes to accounts to consolidated financial statements.

Annexure A to the Board's Report *(Contd.)*

B. Remuneration to other directors:

(Amount in INR)

Sl. No.	Particulars of Remuneration	Name of Directors											Total
		Mr. A. T. Vaswani	Mr. Venkatesh Kasturirangan	Mr. Sudip Nandy	Mr. Ketan Dalal	Mr. Ben Druskin	Mr. Harsh Mariwala	Ms. Tanuja Randery	Mr. H. V. Goenka	Mr. Arvind Agrawal	Mr. Shashank Singh	Mr. Anant Goenka	
1	**Independent Directors**												
	- Fees for attending Board/ Committee Meetings	11,20,000	6,00,000	9,25,000	7,00,000	5,00,000	6,00,000	5,00,000	-	-	-		49,45,000
	- Commission	7,00,000	7,00,000	7,00,000	3,00,000	-	1,75,000	1,75,000	-	-	-		27,50,000
	- Others	-	-	-	-	-	-	-	-	-	-		-
	Total (1)	**18,20,000**	**13,00,000**	**16,25,000**	**10,00,000**	**5,00,000**	**7,75,000**	**6,75,000**	**-**	**-**	**-**		**76,95,000**
2	**Other Non- Executive Directors**	**-**	**-**										
	- Fees for attending Board/ Committee Meetings	-	-	-	-	-	-	-	7,00,000	7,20,000	8,50,000	2,00,000	2,4,70,000
	- Commission	-	-	-	-	-	-	-	1,94,35,000	7,00,000	7,00,000	-	20,8,35,000
	- Others	-	-	-	-	-	-	-	-	-	-		-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,01,35,000**	**14,20,000**	**15,50,000**	**2,00,000**	**2,33,05,000**
	Total (B) = (1+2)	**18,20,000**	**13,00,000**	**16,25,000**	**10,00,000**	**5,00,000**	**7,75,000**	**6,75,000**	**2,01,35,000**	**14,20,000**	**15,50,000**	**2,00,000**	**3,10,00,000**
	Total Managerial Remuneration*												
	Overall Ceiling as per the Act **	**INR 30,26,43,110 calculated as per Section 198 of the Companies Act, 2013**											

Notes:

* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

**Sitting fees paid have not been considered as a component for reckoning overall ceiling as per Companies Act, 2013

Annexure A to the Board's Report *(Contd.)*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in INR)

Sl. No.	Particulars of Remuneration	Mr. Navneet Khandelwal Chief Financial Officer	Mr. Gaurav Tongia Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,41,89,306	48,64,116	1,90,53,422
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	90,000 LTI Units have been granted during the financial year under review.	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, , specify	-	-	-
5	Others, , please specify	-	-	-
	Total	**1,41,89,306**	**48,64,116**	**1,90,53,422**

Note:

*Excludes provision for compensated absences/Gratuity in respect of separate actuarial valuation reports for key managerial personnel.

Annexure A to the Board’s Report *(Contd.)*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

Annexure B to the Board's Report

DISCLOSURE UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

On April 25, 2017, Zensar set up a state of the art innovation hub – Zenlabs in Pune, with the vision to spur innovation and create future-ready solutions. The focus is on industry leading innovations that are unique and built on a culture of innovation and futuristic thinking, that has resulted in more than 50 patents applications and renewal of recognition as a research center by Govt of India's Department of Scientific and Industrial Research (DSIR) in FY 2018-19.

During FY 2018-19, Zensar launched second Zenlabs at Hyderabad.

Zenlabs has hosted 20 CXOs from diverse industries, spanning Manufacturing, BFSI, and Retail, and demonstrated the thought leadership and innovation that Zensar can deliver to them.

Highlights:

1. Artificial Intelligence (AI)

At Zenlabs, Zensar is continuously investing in AI research to build solutions that will solve business needs of today and tomorrow. The future of businesses hinge on the ability to provide contextualised and personalised experience to its customers, partners and stakeholders. Zensar understands its client industry trends and partners in co-innovating AI platforms leading to significant tangible benefits.

The solutions built include:

- Virtual assistants using Speech & NLP
- Automatic Damage Assessment using Computer Vision
- Intelligent document classification and routing
- Augment Reality Solutions for Diagnositcs & Repair

Zenlabs solutions have led to Zensar being recognized as a Disruptor by Avasant for Intelligent Automation Services.

2. Blockchain

Blockchain has the potential, not just to disrupt the way business functions but also transform the entire business process and value chain. Transactions, seen as transfer of value, open the potential of this disruptive technology to all industry verticals. Zenlabs has been at the forefront in this transformative technology and has created ZenSmartBlox, a proprietary Blockchain enablement framework offering design to help enable organizations to explore and implement Blockchain Technology.

Zensar's Blockchain solution, ZenSmartBlox is an industry agnostic platform has the capability of serving more than 50 use cases span across multiple industries like Manufacturing, Retail and BFSI. ZenSmartBlox's acceleration layer acts as an interface deploying diverse blockchain platforms such as Ethereum, Hyperledger, IOTA, Quorum, and Multichain for enterprises.

ZenSmartBlox has won significant mentions in following analyst reports –

- Gartner market guide for Blockchain Consulting and Proof of Concept Development Services
- As Challenger in Avasant's Blockchain Services RadarViewTMReport

Zenlabs is focussed on connecting technology improvements with business needs to enable our clients to deliver differented value to their customers. Zenlabs will continue to help Zensar's customers to imagine the future and empower them to turn it, into reality.

Further, the Company undertakes persistent efforts towards conservation of energy, optimum utilisation of resources including creating awarness about the same among its Associates.

For and on behalf of the Board

Place: Mumbai
Date: April 30, 2019

H.V. Goenka
Chairman

Annexure C to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs	CSR Policy of the Company is enclosed herewith. Further, the details of CSR policy and activities of the Company are hosted on website of the Company at https://www.zensar.com/corporate-social-responsibility
2	Composition of the CSR Committee.	• Mr. Arvind Agrawal - Chairman • Mr. A. T. Vaswani • Mr. Sandeep Kishore
3	Average net proflt of the Company for last three financial years (INR lakhs)	26,380.95
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above) (INR lakhs)	527.62
5	Details of CSR spend during the Financial Year.	
	(a) Total amount spent for the Financial Year.	531.28
	(b) Amount unspent, if any	Nil
	(c) Manner in which the amount spent during the financial year is given below:	

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sl. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs		Amount Outlay (Budget) Project or Program wise	Amount Spent on Projects or Programs		Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through mplementing agency
			Local Area or Other	Specify the state and district where projects or programs were undertaken		Direct Expenses	Over-heads		
I	Donation to RPG Foundation	Community development, Employability enhancement and Environment sustenance	Local Area	Pune and rest of Maharashtra & Hyderabad, Andhra Pradesh	393.00	393.00	-	393.00	Amount paid to RPG Foundation, an implementing agency.
II	Training progrmmes for Employability & Skill Development	Employability Enhancement	Local Area	Pune, Maharashtra	135.00	138.28	-	138.28	Directly
	Total				**528.00**	**531.28**	**-**	**531.28**	

Annexure C to the Board's Report *(Contd.)*

6	The reasons for not spending the 2% of the average net profit of the last three financial years are stated in Board report	NA
7	CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company	

Mr Arvind Agrawal
Chairman of the
Corporate Social Responsibility Committee

Mr. Sandeep Kishore
Managing Director and CEO

Place: Mumbai
Date: April 30, 2019

CORPORATE SOCIAL RESPONSIBILITY POLICY

RPG Foundation, a trust established by RPG Group leads Zensar's social outreach programs. Zensar Technologies also undertakes a few CSR programs outside of RPG Foundation. As a responsible business corporation, we take pride in being socially committed and focused on building sustainable and effective Corporate Social Responsibility (CSR) initiatives by focusing on three pillars - Community Development, Employability Enhancement and Environment Sustenance. Digital Literacy is also an added area of focus. The management has a strong belief in the merits of participation in CSR by the employees of Zensar and therefore, places much emphasis on employee volunteering for CSR activities. We choose to work in the neighbor-hood of Zensar locations, so as to engage in an interactive and harmonious relationship with the communities around.

Partnerships

RPG Foundation is an 'implementing organization' and is directly involved in the CSR projects being undertaken. Collaborative partnerships are formed with both, Government & Non-Government Organizations (NGOs) and other like-minded stakeholders. This helps widen the Company's reach and leverages the collective expertise, wisdom and experience that these partnerships bring to the issues that Zensar is committed to.

Budget

Each year, the budget for CSR spend is in line with the provisions under the Companies Act, 2013 in this regard. The budget is project driven and approved by the CSR Committee. Any surplus arising out of CSR programs shall not form part of the business profit of Zensar and would be ploughed back to the CSR corpus for spending on CSR projects only.

Monitoring mechanism and responsibilities

Zensar has a CSR team comprising of personnel having adequate experience and passion for CSR activities. CSR team is responsible for implementation and execution of CSR projects/programs. All projects are reviewed once every 6 months against targets and approved budgets by CSR Committee and wherever necessary, midcourse corrections are initiated.

For and on behalf of the Board

Place: Mumbai
Date: April 30, 2019

H.V. Goenka
Chairman

Annexure D to the Board's Report

INFORMATION AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

REMUNERATION DETAILS OF DIRECTORS AND KMPS

Sr. No.	Name of the Director/Key Managerial Personnel	Designation	Ratio of remuneration of each director and KMP to the median remuneration of the employees of the Company	% Increase in the Remuneration from FY 2017-18 to FY 2018-19
1	Mr. H. V. Goenka	Chairman	22.29	-7.45
2	Mr. Sandeep Kishore	Managing Director and CEO	1.79	8.35
3	Mr. A. T. Vaswani	Director	0.80	16.67
4	Mr. Arvind Agrawal		0.80	16.67
5	Mr. Venkatesh Kasturirangan		0.80	16.67
6	Mr. Sudip Nandy		0.80	16.67
7	Mr. Shashank Singh (Marina Holdco (FPI) Ltd)		0.80	16.67
8	Mr. Ketan Dalal		0.34	NA
9	Mr. Ben Druskin		NA	NA
10	Ms. Tanuja Randery		0.20	NA
11	Mr. Harsh Mariwala		0.20	NA
12	Mr. Anant Goenka		NA	NA
13	Mr. Navneet Khandelwal	Chief Financial Officer	16.27	NA
14	Mr. Gaurav Tongia	Company Secretary	5.58	NA

Notes:

1. Median remuneration of the employees is calculated on the basis of remuneration details of permanent employees on India payroll excluding Managing Director.
2. Mr. Ketan Dalal, Mr. Ben Druskin, Ms. Tanuja Randery and Mr. Harsh Mariwala were appointed as Directors during FY 2017-18, therefore comparable amount of remuneration was not available for determination of percentage increase/ decrease in the remuneration.
3. Mr. Anant Goenka was appointed as Non-Executive,Non-Independent Director on the Board w.e.f. January 21, 2019, therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
4. Mr. Navneet Khandelwal and Mr. Gaurav Tongia were appointed as Chief Financial Officer and Company Secretary, respectively during FY 2017-18, therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.

For and on behalf of the Board

Place: Mumbai
Date: April 30, 2019

H.V. Goenka
Chairman

Annexure E to the Board's Report

STATEMENT UNDER SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FY 2018-19

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR

Sr. No.	Name	Designation	Remuneration received in INR including ESOP perquisite value	Nature of employment whether contractual or otherwise	Qualifications	Experience (No. of years)	Date of commencement of employment	Age	Last Employment held before joining	% of equity shares held	Whether any such employee is relative of any Director and if so name of such Director
1	Mr. Navneet Khandelwal	Sr Vice President & CFO	1,41,89,306	Contractual	Chartered Accountant	19	January 15, 2018	40	Wipro Ltd.	NA	No
2	Mr. Vivek Ranjan	Sr Vice President & CHRO	1,34,04,152		Master of Business Administrat & Post Graduation Diploma	21	November 06, 2017	46	Ericsson India Global Services		
3	Ms. Prameela Nagamalati Kalive	Executive Vice President	1,16,00,325		Master of Business Administrat & ME	31	November 17, 2000	53	Athena Consulting Private Ltd.		
4	Mr. Ajay Bhandari	Executive Vice President	1,12,24,978		Chartered Accountant & ICWA	27	April 01, 2004	50	Fascel Ltd.		
5	Mr. Krishna Padmanabhan Kumar	Sr Vice President	1,03,31,679		Master of Business Administrat & Bachelor of Engineering	32	May 15, 1997	55	Tata Steel		
6	Mr. Prasad Madhav Deshpande	Sr Vice President	95,53,752		MMS	29	September 02, 1996	50	Forbes Marshall		
7	Mr. Narasimha Murthy *	Sr Vice President	70,35,764		MS, AMPM, Executive MBA, Bachelor of Science	25	October 22, 2018	45	Wipro Ltd.		
8	Mr. Madhwesha Krishnaji Kulkarni *	Sr Vice President	68,71,452		Bachelor of Engineering	24	September 24, 2018	49	DXE Technologies		
9	Mr. Tarun Raj	Associate Vice President	31,47,343		Post Graduation Diploma & B. Tech	16	June 04, 2015	41	EXL		
10	Mr. Satya Srinivas Devata	Vice President	22,74,328		Chartered Accountant	22	October 20, 2016	46	Gartner India Resarch and advisory Services		

*Employed for part of the year

Notes:

1 Remuneration as shown above includes salary, allowances, bonus, Company's contribution to the provident fund, gratuity and superannuation fund and other perquisite value calculated as per Income Tax Rules, wherever applicable.

2 The above details are of employees located in India.

3 Percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of Sub Rule 2 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

Place: Mumbai
Date: April 30, 2019

H.V. Goenka
Chairman

Annexure F to the Board'sReport

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The growth of global economy in 2018 was estimated to be 3.6%, on the back of a strong fiscal expansion in the US,that successfully set off the accelerations in other economies.

While the global financial market improved during the year, across all economies, the major factors contributing to the global growth are the measures that help to boost potential output growth, enhance inclusiveness, and strengthen fiscal and financial buffers in an environment of high debt burdens and tighter financial conditions.

Further, while borrowing has facilitated many countries in addressing the important development needs, there has been a rise in the debt to GDP ratio of low-income countries, that has shifted debt composition to an expensive market based source of financing.

Review of Economies of Key Markets

In North America, the growth was observed at 2.7% during the year, on account of growth in the overall US economy in terms of falling unemployment, strong labour market and gains across retail, health care and construction.

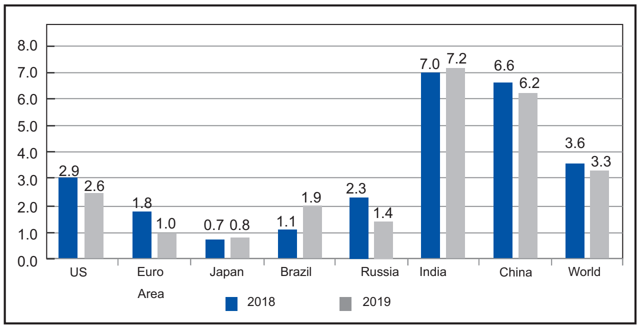
The economy of UK grew at 1.4% during the year 2018, supported by growth in household consumption and government spending. On the production front, the service industries expanded with rise in output from construction sector, business services and finance as well as in government and other services.

South Africa grew at 0.8% in CY 2018 on the back of growth in a number of industries such as petroleum, chemical products, rubber and plastic products; motor vehicles as well as food and beverages during the year. A robust growth of 7.7% was witnessed in the transport, storage and communication industry on account of increase in land transport and transport support services. Further, finance, real estate and business services also increased by 2.7% in the fourth quarter and an increased economic activity was reported for financial intermediation, insurance, auxiliary activities and real estate.

Outlook

The global economy is projected to grow at 3.3% in 2019 and 3.6% in 2020. The growth is anticipated on account of increase in the relative size of economies, which are anticipated to witness robust growth in comparison to slower-growing advanced and emerging market economies.The economy is anticipated to pick up in H2 CY 19 on account of significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps. Further, improved momentum for emerging markets and developing economies is projected to continue into 2020, primarily reflecting developments in economies currently experiencing macro economic distress. (Source: IMF)

Global GDP



(Source: Interim Economic Outlook, OECD March 2019)

Indian Economy

India secured its position as one of the fastest growing major economy in the world, backed by favourable reforms. The GDP growth rate for FY 2018-19 is estimated at 7% driven by merchandise exports which increased 8.85%, net direct tax and GST collection crossed INR 10 trillion by March 2019, Index of Industrial Production (IIP) rose 4.4% till December 2018 and Consumer Price Index (CPI) inflation stood at 2.57% in February 2019. The net employment generation in the country reached a 17-month high in January 2019.

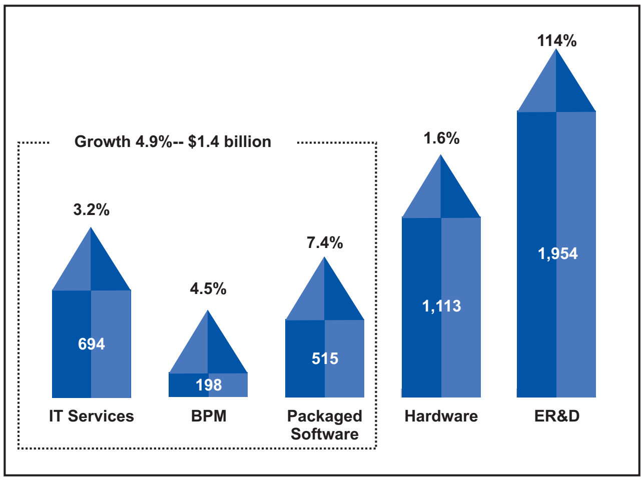
According to Fitch Solutions, the economic growth forecast for FY 2019-20 is 6.8%, as the RBI, has adopted a more dovish monetary policy stance and cut interest rates. It is a move supported by steadily decelerating headline inflation.

Industry Overview

The global IT-BPM industry stood at $1.4 trillion in 2018, growing by 4.9% over previous year.

The impact of technology on businesses and society is fast increasing in today's world. As digital revolution takes center-stage, corporate across different sectors are adapting technologies to thrive in the digital environment. The investments made in digital technology are today made with the objective to create value and enhance efficiencies. Hence, the revenues from digital market were expected to have grown at 20% CAGR between FY 2017-19.

Annexure F to the Board's Report *(Contd.)*



Growth in sectors for 2018

As the Asia-Pacific countries dominated the growth in overall IT-BPM sector, India set up itself as the leading country in terms of innovation, investments and sourcing of talent. The Indian IT-BPM market is expected to reach $177 billion by end of 2019, bolstering the Indian economy with a 7.9% relative share in the country's GDP. With a healthy FDI investment of $15 billion upto September 2018, India continues to attract global companies to partner them in their digital revolution.

Industry Spend and Insights

In 2018, the IT-BPM sector witnessed growth as software-led digital penetration increased. The global software spending rose by 7.4% to $ 515 billion in 2018 as there was an increased demand for structure management data software. There is a visible trend for adopting digital technologies and measure the outcome of digital investments thereof. India remains the largest digital talent sourcing pool for global countries, as digital revenues in India are expected to grow at a CAGR of 44% reaching $ 33 bn in FY 2018-19 from $16 bn in FY 2017-18.

With growing interest in Artificial Intelligence (AI), Machine Learning and IoT, there is an increasing demand for Software as a Service (SaaS) sector, currently about 5% of the total IT industry, is expected to be a $ 129 bn industry by 2022. The downstream industries of banking, financial services, insurance, manufacturing and retail remain the front-runners to drive the demand for SaaS based programs.

As enterprises mature in adaption of digital solutions, enterprise digital spend is expected to reach $ 1.2 Tn by 2022, growing at 20% CAGR from $ 575 billion in 2018. This at the backdrop of companies increasingly moving from point deployments to enterprise-wide adoption, leading to automation and scaling of digital growth.

As focus shifts on creating value for clients and introducing next-generation customer experience, digital projects are garnering a larger share of Indian IT service space, with the US as the largest market. Indian Global in-house Centres (GICs) are now shifting their focus towards creating business value than just being centre of cost excellence.

With GICs driving innovation and collaboration for enhancing digital agility, R&D continues to gain traction. It accounts for one-fifth of the total exports from India in IT-BPM space, with efforts focused on driving efficiencies in design, automation, analytics and design thinking.

The fiscal also witnessed multi-billon dollar deals in M&A, as companies adapted the inorganic route for faster market penetration.

With Indian companies filing more than 4300 patents in the US between 2015-18, more than 50% patents were in the space of digital space of AI, IoT, image processing and cyber security among others. Going forward, the IT exports sector remains buoyant with growth in services like AI, Cloud Computing, Analytics and enterprise solutions. These services drive the demand of more than 600 million digital skilled employees in India, as enterprises strengthen their automation ecosystem. (Source: Nasscom 2019 Report)

Company Overview

The Company's business operations are spread across the countries, with offices in 22 locations. It derives revenues from the US, UK and South Africa as its primary markets.

Annexure F to the Board's Report *(Contd.)*

Analytics	Cloud and Infrastructure	Digital Experience	Enterprise Applications	Service Line Transformation	Testing	Unified Digital Commerce
• Advanced Analytics • Advanced Data Warehousing • Big Data • Enterprise Data Management	• Hybrid IT • Cybersecurity • Digital Workplace • Intelligent Command Center • Third-Party Maintenance Services • Unified IT	• CRM • Digital Channels • Digital Marketing Services • Experience Services • Front End Development	• Oracle • SAP • SFDC • Pega Alliance	• Agile • Application Development • DevOps • Enterprise Architecture • Outcome Based Managed Services • Robotic Process Automation	• Game Testing • One Touch Testing • Outcome Based Testing • Performance Engineering • Product Testing • Rush Hour Testing	• Digital Commerce Consulting • Digital Commerce Development • Digital Fulfilment • Managed Commerce Services

RoD NeXT – Return on Digital with Exponential Technologies

The Company strengthened its RoD philosophy that began three years ago, partnering with its customers to execute several digital transformation programs and measure the outcome of its digital investments. With RoD NeXT the Company brings on table disruptive and exponential digital services that goes beyond incremental benefits. The RoD NeXT architecture is based on three digital components, namely, AI, Smart Platform and Human Experience, which are revolutionizing digital landscape. The Company's RoD NeXT platform provides organisations to scale their digital investments, measure the success of digital implementations and redesign business model to leverage the digital technologies. Being a 'Living Digital' entity, making all its internal operations digital and seamless, the launch of RoD NeXT brings in several synergies. It focuses on building capabilities built through the framework of RoD and extending it through newer digital channels to derive exponential benefits. The Company is optimistic of capitalizing on opportunities of RoD NeXT through its AI, Human Experience and Smart Platforms that form a winning combination to bring digital disruption to any entity.

Augmenting Customer Experience

The Company plans to unlock growth for its clients with services covering Digital Operations, Network Transformation, Cloud, Digital Enterprise Security and Digital Workplace Services among others. With RoD NeXT, the Company will leverage its capabilities, partnerships to existing and new clients, focus on large deals and increase wallet share.

Synergies

Enhancing digital services to drive consumer experience remains a key strategy for the Company. Having acquired companies that have brought synergies to the existing business in past, the Company acquired Indigo Slate, a digital marketing focused customer experience agency in the US. Indigo Slate's expertise and innovative capabilities to focus on creating smart experiences, has led to being amongst the fastest growing private companies in the US. Indigo's marquee client base across Hi-Tech, Retail and Manufacturing adds to Zensar's existing multi-geographic presence. The team brings expertise across strategy, innovation, experience design, audience activation and engagement technology. With Indigo Slate's philosophy of changing human experience with brands, the Company has taken a strategic step towards strengthening its RoD NeXT philosophy.

Operational Overview

The Company's leadership in digital space across multiple channels, positions it well to capitalise on the emerging opportunities in the industry. With a proven ability to understand the customer's business model and adding digital value through its platforms, it is helping customers' prepare to realise maximum returns on their business.

As a part of the business strategy, the Company is believed to be the only one in the industry, to have developed complete digital solutions for its day-to-day operations, making it a 'Living Digital' entity. Since the launch of RoD three years back, the Company has accelerated towards capturing the huge

Annexure F to the Board's Report *(Contd.)*

opportunities in IT service space. Leveraging on its laurels and achievements of RoD, RoD NeXT further augments the Company's growth plans.

RoD NeXT builds on the foundation of in-house innovation developed by the Company through its ZenLabs. Zenlabs was built with a promise to develop innovative solutions working closely with our customers. The 'future-ready' approach has helped the Company build competency and solutions in areas of AI, Augmented Reality, Blockchain, IoT, AR and VR among others. Its sustained investments in employees with relevant digital skills have helped deliver digital transformation results for its clients. The Company was recognized and honoured by Skillsoft and SumTotal as an Award winner in 'Creating an Impact-IT Skills' at India Perspective Conference 2018. The Company leveraged the Skillsoft learning content for up-skilling and cross-skilling global Zensarians in digital and other skills.

The transformative and innovative solutions introduced under RoD NeXT have helped the Company close some significant high value deals. These deals have been won by the Company against some of the leading global IT service providers, highlighting the core differentiating capabilities of the Company.

The sustained growth in revenues was spread across clients present in manufacturing, retail and financial services. The recent acquisitions have brought synergies in the existing service portfolio, enabling cross-selling and acquiring larger ticket size clients. These acquisitions come with expertise and services that align to the Company's vision, bringing efficiency, innovation and sustained financial performance on the board.

The acquired capabilities and in-house innovations have enabled the Company expand its operations and widen its market presence. During the year under review, the Company partnered and sponsored several industry leading conferences and events to share and exchange their deep-domain expertise and best practices related to their business. The Company was featured in Gartner reports (a world's leading research and advisory Company) during the year under review, highlighting the unconventional possibilities and solutions that are playing a key role in IT space.

Going forward, the Company is determined to create maximum value for its customers through digital transformation engagements in a complex IT environment with high-integrated tools.

Enterprise Risk Management

The Enterprise Risk Management program at Zensar aims at protecting Members' value and the Company's business from potential risks and various threats. The risk management program covers end-to-end Risk governance / management process including identification, prioritization, monitoring and reporting of risks affecting various business units and geographies. The program covers compliance with applicable government and regulatory requirements, potential risk areas in various economic, social and industrial environments Zensar operates in.

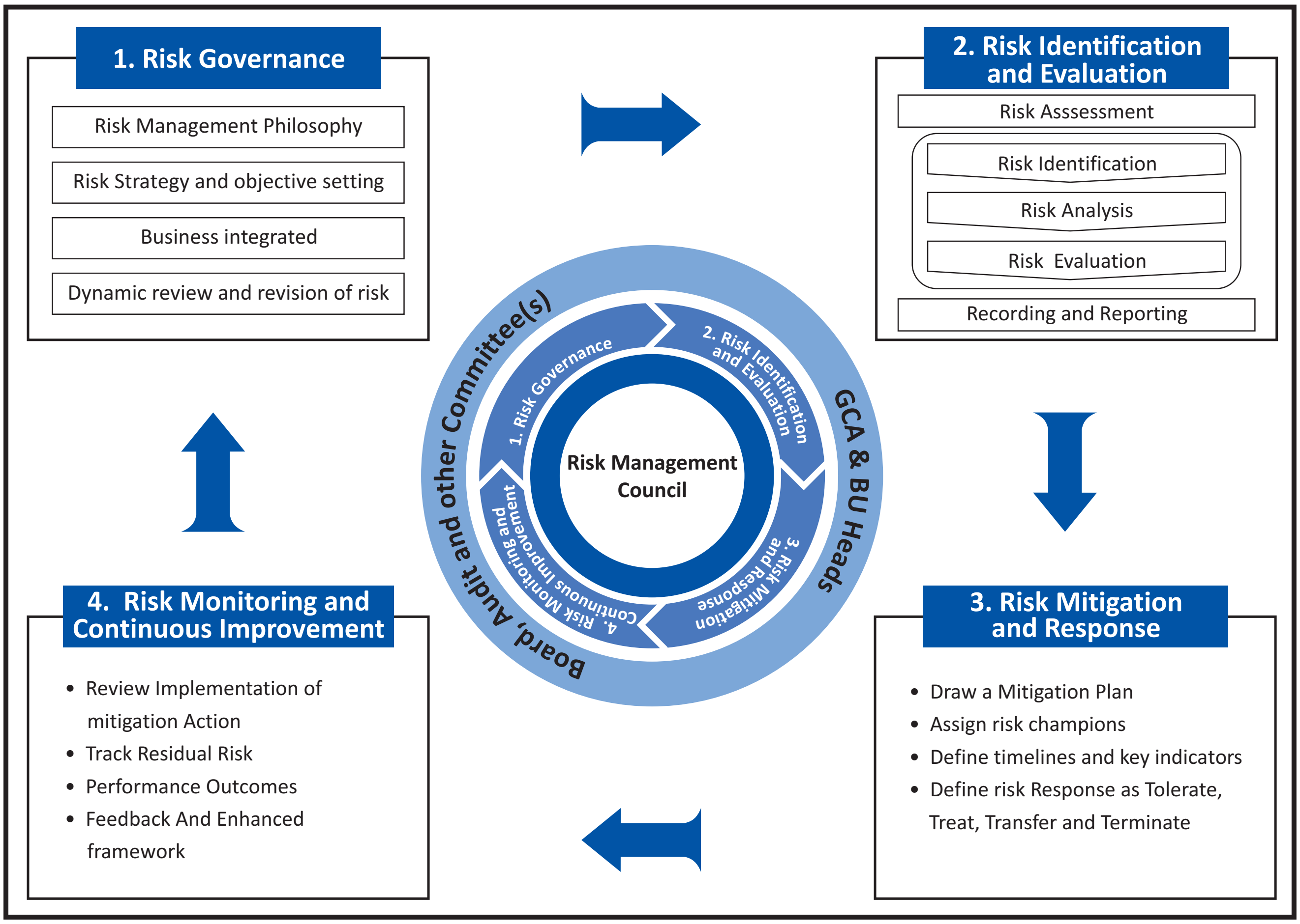
The Company has set up Risk Management Council, which is responsible for identifying various risks, prioritize them, and monitoring potential threats and occurrences based on various key indicators. This council works in consultation with the Directors, Management Council Members, respective Function and Country heads. The Company routinely reassesses its Risk governance framework, seeking professional advice from experts in risk advisory field to ensure the framework is updated and effective at all times.

Major Risks	Mitigation Plan
Information Security and Cyber Security Potential risk of breach of security of Company's network and possible impact on its operations, customer confidential data as well delivery work for its customers.	The Company has implemented elaborate security program using latest technology and tools to detect, prevent and remediate threats. The program ensures continuous monitoring of design and effectiveness of controls. The Company also has created detailed business continuity plan and disaster recovery plan for mission critical infrastructure, to avoid any disruption of service and operations.
Data Privacy Regulations Risk relating to confidentiality of personal information dealt with both by and on behalf of Zensar increases the risk of non-compliance.	The Company has been reasonably de-risked by a specific program implementing policies and processes for respective support function and delivery teams, covering all applicable geographies and areas of operations. This also involves ongoing assessment of effectiveness of thisprogram.

Annexure F to the Board's Report *(Contd.)*

Technology Obsolescence	
The Company operates in an ever evolving and dynamic technology environment with emerging new classes of buyers within the enterprise, giving rise to entirely new business models and therefore, new kinds of competitors. This is resulting in increased demands on the Company's agility to keep pace with the changing customer expectations. Failure to cope may result may result in loss of market share and impact business growth.	The Company is continually investing in Digital and has developed competencies in various technologies, platforms, and operating environment and offers the wide range of technology options to clients to choose from, for their business needs. The Company also looks for suitable acquisitions with a view to keep pace with the latest developments in the technology space augment portfolio of services to clients. The Company continuously updates itself in terms of various emerging technologies and trains its resources suitably to stay abreast of futuristic technologies and thus avoid technological obsolescence.
International Exposure	
Since the Company headquarters is located in India it could result in regulatory, visa and tax complications, leading to unexpected delays in performing contractual obligations and potential non-compliance of local laws of the respective countries Company conducts business in. Company's management understands the environments prevalent in the respective countries systematically.	With the help from experts and professional agencies, the Company has undertaken appropriate measures which has helped reduce exposure to these risks.
Geographical Concentration	
Concentration of revenue from a particular country exposes the Company to the risks specific to its economic conditions, trade policies, local laws, political environment and work culture.	While US continues to be the major revenue generating territory, the Company's operations in South Africa and Europe also make significant contribution to the aggregate.
Client Concentration	
Excessive exposure to particular clients has the potential to limit the Company's negotiating capacity and any unfavorable change in client business may result in sudden downfall in the Company's revenue as well as profits.	The Company is constantly de-risking by soliciting customers from different verticals and geographies.
Human Resource	
Global economy has made available more and more opportunities to skilled human resource. Due to resource intensive business model, IT service organizations are heavily impacted by this inherent risk. In India, there is uptick in attrition in companies operating in IT Industry. Better opportunities in Market place leads to attrition in human resources, which could drain valuable knowledge and customer experience and, hence, potentially have an adverse impact on revenues.	The Company continuously creates and maintains a pool of world-class resources by recruiting best talents, imparting efficient & effective training, blending them into productive resources by creating challenging opportunities on projects. The Company endeavors to provide career options of its employees in order to groom them to assume larger roles and increased responsibilities. The Company also undertakes surveys and feedback from employees to create better working environment.
Foreign Currencies	
Global economic situation continues to remain volatile. Fluctuations in major currencies due to unstable economic conditions impacts revenue and profits of the IT industry. This trend is expected to continue in near to medium term with added complexity of cross -currency movements.	The Company has in place a Hedging Policy to minimize the risks associated with foreign currency rate fluctuations. The Company has a mechanism to monitor and review the effectiveness of its hedging policy on a regular basis to minimize the risk of currency fluctuations.

Annexure F to the Board's Report *(Contd.)*



In addition to the risks mentioned in the aforesaid paragraphs, there are verious other risks that the Company considers and manages. The Board and the management team assesses the operations and operating environment on an ongoing basis to identify potential risks and devise appropriate mitigation plans. However, the Members/investors may note that despite the best efforts to minimize the risks there are certain risk(s) which will always be present / arise and may adversely impact the Company, should they materialize.

Internal Control

Strong internal controls minimize the risk of frauds by introducing effective checks and balances into the financial system. The Audit Committee along with Management oversees financial controls and their implementation on a regular basis. The Company has engaged one of the leading audit and risk advisory firms, as the internal auditors, which regularly presents its reports to the Audit Committee

Annexure F to the Board's Report *(Contd.)*

Financial Performance

As per Listing Regulations, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous Financial Year) in key sector - specific financial ratio.

Following are the key financial ratios:

Particulars	FY 2018-19	FY 2017-18	% change	**Detailed Explanation for change** (where the change is 25% or more as compared to the immediately previous financial year)
Revenue	3,96,633	3,10,774	28%	The increase is mainly due to impact of newly acquired entities and increase in the organic business.
EBITDA	57,211	43,932	30%	The increase is mainly due to impact of newly acquired entities and increase in the organic business.
Return on net worth	16%	15%	11%	The increase is mainly due to impact of newly acquired entities.
EPS (Basic)	13.9	10.8	30%	The increase is mainly due to impact of newly acquired entities and increase in the organic business.
EPS (Diluted)	13.7	10.6	29%	The increase is mainly due to impact of newly acquired entities and increase in the organic business.
Debtor Turnover	5.2	5.3	-2%	Not applicable
Interest coverage ratio	12.9	16.5	-22%	Not applicable
Current Ratio	2.0	2.8	-29%	The decrease is mainly due to impact of newly acquired entities and depreciation of INR.
Debt Equity ratio	0.15	0.01	1400%	The increase is mainly due to incremental working capital loan and additional loan availed for acquisitions made in the current year.
Operating Profit Margin (%)	14.4%	14.1%	2%	Not applicable
Net Profit Margin (%)	8.0%	7.9%	1%	Not applicable

Annexure F to the Board's Report *(Contd.)*

The discussion/highlights of financial/operational performance during FY 2018-19 are as follows:

1. REVENUE

Revenue for the year ended March 31, 2019 is as under:

a. BY SEGMENTS

(INR in Lakhs)

SEGMENT	2018-2019	2017-2018
Application Management Services	3,34,692	2,59,118
Infrastructure Management Services	61,941	51,656
Total	3,96,633	3,10,774

Accounting principles are consistently used in the preparation of financial statements and are also consistently applied to record income and expenditure in individual segments.

b. BY GEOGRAPHY

(INR in Lakhs)

Geography	2018-2019	2017-2018
United States of America	2,98,137	221,438
Europe	56,850	43,278
Rest of the World	41,646	46,058
Total	3,96,633	3,10,774

c. BY LOCATION

Location	2018-2019	2017-2018
Onsite	67%	63%
Offshore	33%	37%

2. OTHER INCOME

Other Income comprises dividends from mutual fund investments, interest on bank deposits, profit on sale of investments, net gain on financial assets mandatorily measured at fair value, interest on security deposit, net foreign exchange gain & loss on share buyback liability. Other income during the current year was INR 9,268 Lakhs as against INR 7,439 Lakhs in the previous year.

3. SHARE CAPITAL

During the year, Company has allotted total 1,54,376 equity shares fully paid up of INR 2/- each. Out of these, 24,750 equity shares were allotted under "2002 Employees Stock Option Scheme" and 1,29,626 equity shares were allotted under "2006 Employees Stock Option Scheme"

4. RESERVES AND SURPLUS

The Company's Reserves and Surplus as on March 31, 2019 were INR 1,87,430 Lakhs as against INR 1,60,512 Lakhs in FY 2017-18.

The Company's Other Reserves as on March 31, 2019 were INR 2,302 Lakhs as against INR 1,879 Lakhs in FY 2017-18.

5. NON-CURRENT BORROWINGS

As of March 31, 2019, Non-current (long term) borrowings were INR 10,221 Lakhs (Previous year INR 595 Lakhs) which relates to Finance lease liabilities.

The portion of current maturities of long term loan amounting to INR 4,255 Lakhs (Previous year: INR 340 Lakhs) which is payable within twelve months, is shown under Other financial Liabilities.

6. CURRENT BORROWINGS

As of March 31, 2019, Current borrowings (Short term) borrowings is INR 15,560. Previous year ended March 31, 2018, it was Nil.

7. FIXED ASSETS

During the year there is an addition of INR 3,927 Lakhs in Tangible Fixed Asset and addition of INR 23,081 Lakhs intangible asset.

8. RETURN ON CAPITAL EMPLOYED

The return on capital employed (ROCE) for the FY 2018-19 is 23%.

9. DEBTORS

The position of outstanding debtors was:

(INR in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Considered Good	87,621	64,226
Considered Doubtful	10,331	7,611
Allowances for Credit losses	-10,331	-7,611
Total Receivables	87,621	64,226

Annexure F to the Board's Report *(Contd.)*

10. CASH AND BANK BALANCES

The Cash and Bank Balances represent the Company's balances in banks in India and overseas. The Company also retains funds in the Exchange Earners Foreign Currency (EEFC) account in India, which is mainly used to meet the remittance requirements of the Company's branches and also for travel purposes. The Company possessed cash and bank balances (India and overseas excluding unpaid dividend) of INR 31,689 Lakhs as on March 31, 2019.

11. OTHER CURRENT ASSETS

Other Current Assets of INR 32,781 Lakhs consist mainly of prepaid expenses, advances to suppliers and statutory receivables as on March 31, 2019.

12. OTHER FINANCIAL ASSETS

The Other Financial Assets comprise unbilled revenue, foreign exchange forward contracts and security deposits amounting to INR 26,444 Lakhs (Previous Year: INR 30,681 Lakhs) as on March 31, 2019.

13. OTHER CURRENT LIABILITIES

Other Current liabilities amounting to INR 14,422 Lakhs (Previous year INR 12,231 Lakhs) represent mainly payments due to unearned revenue, employee contributions towards provident & pension fund, statutory taxes.

14. TAX EXPENSE

The Company's income-tax expenses is INR 12,673 Lakhs (Previous year INR 10,508 Lakhs).

15. CONTINGENT LIABILITIES

Contingent Liabilities have been disclosed in Note 32 in the "Consolidated Financial Statement - Notes to the Accounts".

Accounting principles consistently used in the preparation of financial statements are also consistently applied to record income and expenditure in individual segments.

Human Resources

The Talent Management practices focus on engaging, developing and retaining the talent pool. The industry is rapidly changing. These changes require the Company to gear up and reenergize the pillars of Zensar - the vision, the strategy and the values.

Vision:

Leaders in business transformation.

Mission:

We will be the best in delivering innovative industry focused solutions with measurable business outcomes.

Values:

- Customer Centricity
- Commitment to People and Community
- Continuous Innovation and Excellence

Extensive initiatives such as different types of induction programs for different levels of associates, global webcasts, workshops and e-mail campaigns for new hires have been undertaken across global locations to disseminate the Vision, Mission and Values.

HR Digitalization

The Company embarked on a journey to make HR 100% digitalized. This has ensured that all HR process are available to associates on hand held devices at all the time. It also provides leaders access to HR metrics to make informed decision.

Organization and Management Review (OMR)

OMR is comprehensive process to review the organization structure and incumbents of key roles in the structure to ensure alignment to the overall strategy of the Company. This process also includes succession planning and development planning for Top talent that gets identified thru this process.

Employer of Choice

Over the last four years, significant steps have been taken towards making Zensar- an Employer of Choice and thereby measure associate engagement. The Company partnered with Great Place to Work Institute, a globally recognized and widely used platform, to measure associate engagement. The Great Place to Work model measures engagement levels of associates through the levels of Trust, Pride, Respect, Fairness and Camaraderie prevalent in the organization. This year survey witnessed about 81% participation from associates globally.

Associate Engagement Framework

It is a framework that identifies the drivers of Associate Engagement in the Company. These drivers work to build a sense of connect between associates and the organization. Each driver of Associate Engagement is reflected in a list of actions that associates can expect to experience across locations, countries & regions. It affords multiple platforms and avenues to communicate with the managers, leaders and business enabling functions.

Annexure F to the Board's Report *(Contd.)*

Celebrating Diversity

Diversity in the workplace is a norm and seen as an investment towards building a better business. As an organization where one of the core value is Commitment to People and Community the diversity program embraces associates of different gender, age, nationality, backgrounds, experiences, physical ability, skill sets, expertise and supports them to work collaboratively by creating a culture of Inclusivity.

Diversity is implemented through the following initiatives:

- Advancement of women: In FY 2018-19, Gender diversity stands at 28.4%.
- Equal employment opportunity: Company strives at all times to identify and recruit the most diverse pool of qualified candidates.
- Integration of people with disability: There is a program which facilitates recruitment of people with disability. There are about 25 associates, across locations who are differently abled.
- Cultural acceptance: The individuality, creativity, innovation and flexibility are celebrated. This creates enormous diversity which brings in 'world culture' to the organization and equips it to be a true transformation partner to global corporations.
- Participations in the United Nations Global Compact: The Company is a proud participant of United Nations Global Compact and committed to align strategies to advance the ten principles and conduct business with respect to the sustainable development goals, with a focus on education, employability, women empowerment and environment.

Cautionary Statement

This Report to the Members is in compliance with the Corporate Governance Standard incorporated *inter-alia*, in the Listing Regulations and as such cannot be construed as holding out for any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities laws and regulations. This Report furnishes information as laid down within the different headings provided under the sub-head Management Discussion and Analysis, *inter-alia*, to meet the regulatory requirements.

For and on behalf of the Board

Place: Mumbai
Date: April 30, 2019

H.V. Goenka
Chairman

Annexure G to the Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
and
Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Zensar Technologies Limited
Zensar Knowledge Park Plot No.4
Kharadi MIDC off Nagar Road,
Pune - 411014

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zensar Technologies Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2019** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2009 (as applicable till 8thNovember 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 09th November 2018) **(Not applicable to the Company during the Audit Period);**

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Annexure G to the Boards Report *(Contd.)*

g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016 **(Not applicable to the Company during the Audit Period)** and

h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 as applicable till 10thSeptember 2018 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from 11thSeptember 2018 **(Not applicable to the Company during the Audit Period);**

(vi) The specific laws applicable to the Company:

a) Special Economic Zone Act, 2005 and the Rules made thereunder;

b) Trade Mark Act, 1999 and the Rules made thereunder;

c) Information Technology Act, 2000 and the Rules made thereunder;

d) Policy relating to Software Technology Parks of India and its Regulations;

e) The Export and Import Policy of India;

We have also examined compliance with the applicable clauses and regulations of the following:

(i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

(ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

I) Foreign Exchange Management Act, 1999:

a) The Annual Performance Report(s) of the Wholly Owned Subsidiaries of the Company for the financial year ended 31st March, 2018 were filed after the due date prescribed under the provisions of Foreign Exchange Management Act, 1999 read with RBI circular No. RBI//2015-16/374, A.P. (DIR Series) Circular No.62, dated April 13, 2016."

b) Name of following step-down subsidiary(ies) is not included in the Annual Performance Report submitted for the subsidiaries:

i) Foolproof (SG) Pte Limited, Singapore

II) Listing Agreement with Stock Exchanges:

Following Stock exchange Intimation(s)/Filing(s) were filed as under:

Intimation(s)	Regulation(s)	Filing due date and time	Actual filing detail(s)
Proceedings of Annual General Meeting held on 8thAugust 2018.	Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing obligation and disclosure requirements) Regulations, 2015	August 9, 2018 – 2pm IST	August 9, 2018 – 3.30pm
Voting results and Scrutinizer's Report for the Annual General Meeting held on 9th August 2018.	Regulation 44 of Securities and Exchange Board of India (Listing obligation and disclosure requirements) Regulations, 2015	August 10, 2018 – 2pm IST	NSE – August 10, 2018 – 3pm IST
Reconciliation of share capital audit report for quarter ended 31st March 2018	Regulation 55A of Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996	April 30, 2018	May 2, 2018

Annexure G to the Boards Report *(Contd.)*

III) Companies Act, 2013:

The Company has filed form CG-1 for condonation of delay with regard to filing of E Form MGT 14 for some of the resolutions passed at the Board Meeting held on 24th April 2018 and the said application is pending for approval.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further Information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. In the Annual General Meeting held on 8th August 2018 special resolutions were passed for the following:

a) Amendment of capital clause of Memorandum of Association of the Company for giving effect of sub division of its face value of equity shares of INR 10/- each in to denomination of INR 2/- each fully paid up equity shares

b) Amendments in Employee Performance Award Unit Plan, 2016 for options granted/to be granted to the employees of the Company.

c) Amendments in Employee Performance Award Unit Plan, 2016 for options granted/to be granted to the employees of the subsidiary (ies) of the Company.

d) Approval for payment of commission to Non-Executive Directors.

2. A special resolution was passed by way of postal ballot on 5th March 2019, for continuation of directorship of Mr. A.T. Vaswani, post attainment of age of 75 years.

3. On 27th July 2018, the Board noted the signing of definitive agreement(s) to acquire Indigo Slate Inc., USA by Zensar Technologies Inc, a wholly owned subsidiary of the Company in USA.

4. On 22nd January 2019, the Company entered in to definitive agreement(s) for transfer of business of its identified customers, headquartered in India by way of slump sale to Lorhan IT Services Private Limited, (a wholly owned subsidiary of First Tek Inc.) having its registered office at P NO-5/A,F no:102 , Road No -12, Banjara Hills, Hyderabad - 500034, in India.

5. On 22nd January 2019, the Company along with Zensar Information Technologies Limited and Zensar Software Technologies Limited (being wholly owned subsidiaries of the Company) has respectively entered in to definitive agreement(s) for sale of 100% of the share capital of these Wholly owned subsidiaries to Lorhan IT Services Private Limited, (a wholly owned subsidiary of First Tek Inc.), having its registered office at P NO-5/A,F no:102 , Road No -12, Banjara Hills, Hyderabad - 500034.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No. 1321
C P No. 965

Place: Pune
Date: 30th April, 2019

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

Annexure G to the Boards Report *(Contd.)*

To, **(Annexure A)**

The Members,

Zensar Technologies Limited

Zensar Knowledge Park Plot No.4

Kharadi MIDC off Nagar Road,

Pune - 411014

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No. 1321
C P No. 965

Place: Pune
Date: April 30, 2019

Annexure H to the Board's Report

Secretarial compliance report of Zensar Technologies Limited for the year ended 31st March, 2019

To,

The Members,

Zensar Technologies Limited

Zensar Knowledge Park Plot No.4

Kharadi MIDC, Off Nagar Road,

Pune - 411014

We SVD & Associates have examined:

a) all the documents and records made available to us and explanation provided by **Zensar Technologies Limited** ("the listed entity"),

b) the filings/ submissions made by the listed entity to the stock exchanges,

c) website of the listed entity,

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2019** ("Review Period") in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as applicable till 8th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from 09th November, 2018 **(Not applicable to the Company during the Review Period)**

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as applicable till 10th September, 2018 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from 11th September, 2018 **(Not applicable to the Company during the Review Period);**

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Review Period);**

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Review Period)**

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) Securities and Exchange Board of India (Depositories and Participant) Regulation, 2018;

j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

And based on the above examination, we hereby report that, during the Review Period:

Annexure H to the Board's Report *(Contd.)*

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Proceedings of Annual General Meeting (AGM) are required to be intimated to stock exchange as soon as reasonably possible but not later than 24 hours of the conclusion of AGM as per Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing obligation and disclosure requirements) Regulations, 2015.	Proceedings of Annual General Meeting (AGM) held on 8th August 2018 are filed with BSE and NSE for about two hours fifty minutes beyond the prescribed timeline.	Stock exchange Intimation(s)/Filing(s) as detailed were filed beyond the prescribed timeline under respective Regulation(s).
2	Listed entity shall submit to the stock Exchange, within 48 hours of conclusion of its General Meeting, details regarding the voting results in the format specified by SEBI as per Regulation 44 of Securities and Exchange Board of India (Listing obligation and disclosure requirements) Regulations, 2015.	Voting results and Scrutinizer's Report for the AGM held on 8th August 2018 are filed with NSE about 1 hour beyond the prescribed timeline.	Stock exchange Intimation(s)/Filing(s) as detailed were filed beyond the prescribed timeline under respective Regulation(s).
3	As per requirements of the Regulation 55A of Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 , Report on reconciliation of share capital audit has to be filed within 30 days from the end of the quarter.	Filing of Report on reconciliation of share capital audit to Stock Exchange for quarter ended 31st March 2018 has been delayed for about two days beyond prescribed due date.	Stock exchange Intimation(s)/Filing(s) as detailed were filed beyond the prescribed timeline/date under respective Regulation(s).

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges(including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1.	NIL	NIL	NIL	NIL

Annexure H to the Board's Report *(Contd.)*

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	NA	NA	NA	NA

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No. 1321
C P No. 965

Place: Pune
Date: April 30, 2019

Annexure I to the Board's Report

REPORT ON CORPORATE GOVERNANCE

Company's Corporate Governance Philosophy

Corporate Governance is a set of systems, policies and practices deep-rooted in Company's philosophy to ensure that the affairs are being managed in a way which affords accountability, transparency, fairness, in all its transactions with stakeholders. The Company believes that good governance practices stem from the culture and mind-set of the organisation. Effective corporate governance is the strong foundation on which commercial enterprises are built and succeed. The Company's philosophy of Corporate Governance, that of timely disclosures, transparent accounting policies and a strong and Independent Board, goes a long way in preserving all stakeholders' interests, while maximising long-term Members worth.

A report, *inter-alia*, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") for the year ended March 31, 2019 is given below:

1. Board of Directors:

A. Size and Composition of Board:

The Company's Board of Directors is characterised by independence, professionalism, transparency in decision making and accountability. It comprises optimum combination of Executive, Non-Executive Directors, each of whom adds value and brings independent, holistic and multifacated view, in the decision-making process.

As on March 31, 2019, the Board comprises of 12 Directors, 1 of which is Executive Director and 11 are Non-Executive Directors. The Company has a Non- Executive Chairman from the Promoter Group. Based on the requisite certifications / affirmations received from respective directors, the directorships and committee memberships are within permissible limits.

Ms. Tanuja Randery, (DIN 08014909) Non-Executive Independent Director, tendered resignation from the Board of the Company, dated April 30, 2019, effective from May 31, 2019.

Except Mr. H. V. Goenka and Mr. Anant Goenka, none of the Directors are related to each other.

B. Board Meetings:

The Board of Directors of the Company met 7 times during the FY 2018-19 as detailed below:

Sr. No.	Date	Sr. No.	Date
1	24-Apr-18	2	27-Jul-18
3	09-Aug-18	4	23-Oct-18
5	21-Jan-19	6	26-Feb-19
7	28-Mar-19		

Annexure I to the Board's Report *(Contd.)*

Composition of the Board and other Directorship / Membership of Committees held as on March 31, 2019 along with Attendance at the Board Meeting/AGM:

Sr. No.	Name of Director	Category	Date of Appointment	Attendance in Board Meetings during 2018-19	Attendance in last AGM	Other Boards / Committees		
						Director-ships*	Committee*	
							Member	Chairman
1	Mr. H. V. Goenka	Chairman, Non- Independent, Non- Executive Director	04-Sep-01	7	No	6	NIL	NIL
2	Mr. Sandeep Kishore	Managing Director and CEO	12-Jan-16	6	Yes	1		
3	Mr. A.T. Vaswani	Non-Executive Independent Director	01-Apr-15	7	No	2	2	2
4	Mr. Arvind Agrawal**	Non-Executive, Non -Independent Director	29-Jan-02	6	No	NIL	NIL	NIL
5	Mr. Venkatesh Kasturirangan	Non-Executive Independent Director	01-Apr-15	6	Yes			
6	Mr. Sudip Nandy	Non-Executive Independent Director	15-Jul-15	5	No			
7	Mr. Shashank Singh	Non-Executive - Nominee Director	20-Oct-15	6	Yes	1		
8	Mr. Ketan Dalal	Non-Executive Independent Director	03-Nov-17	4	No	2	1	
9	Mr. Ben Druskin	Non-Executive Independent	03-Nov-17	5	Yes	NIL	NIL	
10	Ms. Tanuja Randery	Non-Executive Independent	18-Jan-18	5	No			
11	Mr. Harsh Mariwala	Non-Executive Independent Director	18-Jan-18	6	No	7	1	
12	Mr. Anant Goenka	Additional & Non- Independent, Non- Executive Director	21-Jan-19	2	N.A.	5	NIL	

* This number excludes the directorships / committee memberships held in Zensar Technologies Limited, Private Limited Companies, foreign companies and Companies registered under Section 8 of the Companies Act, 2013. In accordance with the provisions of Listing Regulations, Memberships/ Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Zensar Technologies Limited) have been considered.

** Mr. Arvind Agrawal, has been categorised as Non-executive, Independent Director of the Company effective from May 1, 2019. The details of the said categorisation forms part of the Board's Report.

Annexure I to the Board's Report *(Contd.)*

The Company believes that the Board of Directors should possess the skills, knowledge and experience needed to effectively steer the Company forward. Directors of the Company are appointed to the Board as their specific skills, knowledge and experience will fill particular gaps on the Board. The Company believes that it is important to acknowledge that not all Directors will possess each of the necessary skills, but the Board as a whole must possess them.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business: Understanding of global business dynamics across various geographies, industry verticals and regulatory jurisdictions.

Strategy and Planning: Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

Governance: Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

The list of directorships held by each director in other listed / unlisted companies (excluding foreign, private and section 8 companies):

<table>
<tr><th>Sr. No.</th><th>Name of Director</th><th>Name of the Company</th><th>Listed / Unlisted</th><th>Category</th></tr>
<tr><td rowspan="6">1</td><td rowspan="6">Mr. H. V. Goenka</td><td>RPG Life Sciences Limited</td><td rowspan="4">Listed</td><td rowspan="3">Non-executive – Non-independent Director, Chairperson</td></tr>
<tr><td>CEAT Limited</td></tr>
<tr><td>KEC International Limited</td></tr>
<tr><td>Bajaj Electricals Limited</td><td>Independent Director</td></tr>
<tr><td>RPG Enterprises Limited</td><td rowspan="2">Unlisted</td><td rowspan="2">Non-executive Director</td></tr>
<tr><td>Spencer International Hotels Limited</td></tr>
<tr><td>2</td><td>Mr. Sandeep Kishore</td><td>Spencer International Hotels Limited</td><td>Unlisted</td><td>Non-executive Director</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Mr. A.T. Vaswani</td><td>KEC International Limited</td><td>Listed</td><td>Independent Director</td></tr>
<tr><td>Embio Limited</td><td>Unlisted</td><td>Non-executive Director</td></tr>
<tr><td>4</td><td>Mr. Arvind Agrawal</td><td>NIL</td><td>NA</td><td>NA</td></tr>
<tr><td>5</td><td>Mr. Venkatesh Kasturirangan</td><td>NIL</td><td>NA</td><td>NA</td></tr>
<tr><td>6</td><td>Mr. Sudip Nandy</td><td>NIL</td><td>NA</td><td>NA</td></tr>
<tr><td>7</td><td>Mr. Shashank Singh</td><td>Shriram City Union Finance Limited</td><td>Listed</td><td>Non-executive – Non-independent Director</td></tr>
<tr><td rowspan="2">8</td><td rowspan="2">Mr. Ketan Dalal</td><td>HDFC Life Insurance Company Limited</td><td>Listed</td><td>Independent Director</td></tr>
<tr><td>Jio Payments Bank Limited</td><td>Unlisted</td><td>Non-executive Director</td></tr>
<tr><td>9</td><td>Mr. Ben Druskin</td><td>NIL</td><td>NA</td><td>NA</td></tr>
<tr><td>10</td><td>Ms. Tanuja Randery</td><td>NIL</td><td>NA</td><td>NA</td></tr>
<tr><td rowspan="5">11</td><td rowspan="5">Mr. Anant Goenka</td><td>CEAT Limited</td><td rowspan="2">Listed</td><td>Managing Director</td></tr>
<tr><td>STEL Holdings Ltd</td><td>Non-executive – Non-independent Director</td></tr>
<tr><td>Spencer and Company Limited</td><td rowspan="3">Unlisted</td><td rowspan="3">Non-executive Director</td></tr>
<tr><td>Spencer International Hotels Limited</td></tr>
<tr><td>CEAT Specialty Tyres Limited</td></tr>
</table>

Annexure I to the Board’s Report *(Contd.)*

Sr. No.	Name of Director	Name of the Company	Listed / Unlisted	Category
12	Mr. Harsh Mariwala	Marico Limited	Listed	Non-executive – Non-independent Director, Chairperson
		Kaya Limited		Chairman & Managing Director
		JSW Steel Limited		Additional - Independent Director
		Thermax Limited		Independent Director
		L & T Finance Holdings Limited		
		(Resigned effective from closing business hours on March 31, 2019)		
		Eternis Fine Chemicals Limited	Unlisted	Non-executive Director
		Marico Innovation Foundation (Deemed Public Co.) - Nominee Director (Nominated by Marico Limited)		
		Marico Consumer Care Limited		

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. With diverse views arising from their expertise and experience, they enrich Board’s decision making.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Companies Act, 2013 (the Act) and the SEBI Listing Regulations. The Nomination & Remuneration Committee identifies candidates and takes into consideration the need for diversity of the Board and accordingly makes recommendations to the Board.

The Independent Directors are appointed for a term of five years, as per the requirements of the Act and SEBI Listing Regulations.

In the opinion of the Board, both the existing Independent Directors and those who are proposed to be appointed at the Annual General Meeting, fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

Information placed before the Board:

Agenda papers along with detailed notes are circulated in advance of each meeting of the Directors. Information pursuant to Corporate Governance practices as required under Listing Regulations are made available to the Directors from time to time.

The Company periodically places Compliance Reports / Certificates with respect to applicable laws before the Board of Directors for its review.

The Company did not have any material pecuniary relationship or transactions with its Non-Executive and/or Independent Directors per-se during the year under review except payment of sitting fees and commission as disclosed in this report.

2. Audit Committee:

A. Composition:

The composition of the Committee complies, *inter-alia*, with the requirements of SEBI Listing Regulations and the Companies Act, 2013.

The composition as on March 31, 2018:

Sr. No.	Name of the Director	Designation	No. of meetings attended
1	Mr. A. T. Vaswani	Chairman	6
2	Mr. Sudip Nandy	Member	6
3	Mr. Shashank Singh	Member	5
4	Mr. Ketan Dalal	Member	6

Mr. Arvind Agrawal has been appointed as member of the Committee effective from May 1, 2019.

Annexure I to the Board's Report *(Contd.)*

B. Meetings:

During the FY 2018-19, 6 meetings of the Committee were held as detailed below:

Sr. No.	Date	Sr. No.	Date
1	23-Apr-18	2	23-Jul-18
3	09-Aug-18	4	22-Oct-18
5	21-Jan-19	6	15-Mar-19

The Chairman of the Audit Committee was unable to attend the 55th Annual General Meeting held on August 8, 2018 due to medical reasons. However, other member of the Audit Committee, attended the meeting.

The Company Secretary acts as the Secretary to the Audit Committee. The Committee meetings are also attended by the Chief Financial Officer, Global Financial Controller, Statutory Auditors and Internal Auditors (including executives from Internal Audit Department of the Company). Chief Executive Officer and other executives of the Company also attend the meeting, as and when required.

C. Terms of Reference:

The terms of reference of the Committee envisage the following:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Review, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
    a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of sub section 5 of Section 134 of the Act;
    b) changes, if any, in accounting policies and practices, and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by management;
    d) significant adjustments made in the financial statements arising out of audit findings;
    e) compliance with listing and other legal requirements relating to financial statements;
    f) disclosure of any related party transactions; and
    g) modified opinions in the draft audit report.
5. Review with the management, the quarterly financial statements before submission to the Board for approval.
6. Review of management discussion and analysis of financial condition and results of operations.
7. Review with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement etc.) and making appropriate recommendations to the Board to take up steps in this matter.
8. Review the quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32(1) of the Listing Regulations, being submitted to the Stock Exchange(s).
9. Review the annual statement of funds utilised for purpose other than those stated in the offer document / prospectus in terms of Regulation 32(7) of the Listing Regulations.
10. Review and monitoring the auditor's independence and performance and effectiveness of audit process.
11. Approval or any subsequent modification, ratification of transactions of the Company with related parties including granting of omnibus approvals subject to such conditions as may be prescribed and reviewing details of statement of significant related party transactions (as may be defined by the Audit Committee), submitted by the management.
12. Scrutiny of inter-corporate loans and investments.
13. Review financial statements, in particular the investments made by the Company's unlisted subsidiaries.
14. Review the utilisation of loans and /or advances from/ investment made by the Company in its subsidiary exceeding INR 100 crore or 10% of the total gross assets of the subsidiary, whichever is lower including existing loans/ advances /investment or such other limit as may be prescribed from time to time.
15. Valuation of undertakings or assets of the Company, wherever it is necessary.
16. Evaluation of internal financial controls.

Annexure I to the Board's Report *(Contd.)*

17. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
18. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
19. Review internal audit reports relating to internal control weaknesses and discussion with internal auditors regarding any significant findings and follow up thereon.
20. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
21. Review management letters/ letters of internal control weaknesses issued by the statutory auditors.
22. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
23. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
24. Review the functioning of vigil mechanism/whistle blower mechanism for the Directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimisation.
25. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
26. Review the appointment, removal and terms of remuneration of the chief internal auditor.
27. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
28. Investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if necessary.
29. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

3. Nomination and Remuneration Committee:

A. Composition:

The composition of the Committee complies, *inter-alia*, with the requirements of SEBI Listing Regulations and the Companies Act, 2013.

The composition as on March 31, 2018:

Sr. No.	Name of the Director	Designation	No. of Meetings Attended
1	Mr. A. T. Vaswani	Chairman	6
2	Mr. Sudip Nandy	Member	5
3	Mr. Arvind Agrawal	Member	6
4	Mr. Venkatesh Kasturirangan*	Member	NIL

* Appointed effective from February 26, 2019.

Mr. Shashank Singh attends the Committee meetings as an observer.

The Company Secretary acts as the Secretary to the Committee. Chief Executive Officer and other executives of the Company also attend the meetings as and when required.

B. Meetings:

During the FY 2018-19, 6 meetings of the Committee were held as detailed below:

Sr. No.	Date	Sr. No.	Date
1	23-Apr-18	2	15-May-18
3	19-Jul-18	4	23-Oct-18
5	15-Jan-19	6	25-Feb-19

C. Terms of Reference:

The terms of reference of the Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees.
2. Recommend to the Board, remuneration payable to Directors, KMPs and SMPs in accordance with the Nomination and Remuneration Policy.
3. Formulate the criteria for effective evaluation of performance of Board of Directors, its Committees, Chairperson and individual Directors (including

Annexure I to the Board's Report *(Contd.)*

Independent Directors), to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance.

4. Devise a policy on diversity of Board of Directors.
5. Identify persons who are qualified to become Directors and recommend their appointment to the Board.
6. Opine whether the Director possess the requisite qualification, as required under Section 197(4)(b).
7. Review, appointment and removal of KMPs or SMPs in accordance with the Policy, applicable.
8. Determine whether to extend or continue the term of appointment of the independent Director, based on the report of performance evaluation of Independent Directors.
9. Carry out functions as may be entrusted (i) by the Board of Directors from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 (iii) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as may be amended from time to time.

D. Nomination and Remuneration Policy:

The Company's policy *inter-alia,* on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under the Act is available on the website of Company at https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/NRC%20policy%20%281%29.pdf

E. Details of remuneration of Directors:

1. Details of Remuneration of Managing Director:

Mr. Sandeep Kishore, Managing Director and Chief Executive Officer is paid remuneration as per the terms recommended by the Nomination and Remuneration Committee, approved by the Board of Directors and Members of the Company.

The details of the remuneration paid to Mr. Sandeep Kishore during FY 2018-19 has been provided in Annexure A to the Board's Report.

As on March 31, 2019, Mr. Sandeep Kishore held NIL Equity Shares of the Company. He holds 10,00,000 Performance Award Units (PAUs) granted under 'Zensar Technologies Limited – Employee Performance Award Unit Plan 2016 (EPAP 2016). The actual vesting would vary based upon achievement of performance parameters, and may be higher than aforesaid 10,00,000 PAUs, subject to achievement of such parameters.

The key details of service contracts and notice period are as under:

Name	Service contract(s)	Notice period
Mr. Sandeep Kishore, Managing Director and Chief Executive Officer	5 year(s), commencing from 12th January, 2016	Six months' notice

2. Details of Remuneration of Non- Executive Directors:

Non-Executive Directors are paid sitting fees for attending meetings of the Board/ Committee within the limits as prescribed under the Companies Act, 2013.

The Nomination and Remuneration Committee (NRC) decides the basis for determining the compensation, both Fixed and/or variable, to the Non-executive Directors, including Independent Directors, whether as commission or otherwise. The NRC takes into consideration various factors such as director's participation in Board and Committee meetings during the year under review, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and such other factors as the NRC may deem fit, for determining the compensation. The Board determines the compensation to Non-Executive Directors within the overall limits permitted by Members.

The Non-Executive Directors are paid sitting fees as below:

Sr. No.	Type of Meeting	Sitting fees (per meeting / per director) in INR
1	Board Meeting	1,00,000
2	Audit Committee Meeting	50,000
3	Other Committee Meeting	5,000

The members of the Company at 55th Annual General Meeting of the Company held on August 8, 2018, approved payment of a sum not exceeding 3% per annum of the net profits of the Company for the respective financial year, calculated, *inter-alia*, in accordance with the provisions of Section 198 of the Companies Act, 2013 as commission to the Non-Executive Directors.

Annexure I to the Board's Report *(Contd.)*

Remuneration of Non-Executive Directors:

(In INR)

Sr. No.	Name of the Director / Institution	Sitting fees paid during FY 2018-19	Commission paid in FY 2018-19 for FY 2017-18
1	Mr. H. V. Goenka	7,00,000	1,94,35,000
2	Mr. A.T. Vaswani	11,20,000	7,00,000
3	Mr. Arvind Agrawal	7,20,000	7,00,000
4	Mr. Venkatesh Kasturirangan	6,00,000	7,00,000
5	Mr. Sudip Nandy	9,25,000	7,00,000
6	Mr. Shashank Singh / Marina Holdco (FPI) Ltd.	8,50,000	7,00,000
7	Mr. Ketan Dalal	7,00,000	3,00,000
8	Mr. Ben Druskin	5,00,000	0
9	Ms. Tanuja Randery	5,00,000	1,75,000
10	Mr. Harsh Mariwala	6,00,000	1,75,000
11	Mr. Anant Goenka	2,00,000	0
Total		**74,15,000**	**2,35,85,000**

Shareholding of Non-Executive Directors:

Name of the Director	No. of shares held in the Company
Mr. H. V. Goenka	1,48,125
Mr. A. T. Vaswani	50,000
Mr. Harsh Mariwala	17,520

Note: Apart from above shareholdings, Mr. H. V. Goenka hold shares of the Company, in the capacity of trustee as detailed in the Extract of Annual Return (MGT-9) which forms part of this annual report.

Performance evaluation of the Board and Individual Directors:

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees respectively. A structured questionnaire was prepared after taking into consideration inputs received from the Directors including independent directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance etc. A separate exercise was carried out to evaluate the performance of individual Directors, pursuant to the relevant regulations.

4. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee oversees, *inter-alia*, redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate shares, recording dematerialisation / rematerialisation of shares and related matters. The roles and responsibilities of the Committee are as prescribed under applicable statutes and as stipulated by the Board of Directors from time to time.

A. Composition:

The composition of the Committee as on March 31, 2019:

Sr. No.	Name of the Director	Designation	No. of Meetings Attended
1	Mr. A. T. Vaswani	Chairman	10
2	Mr. Sandeep Kishore	Member	4
3	Mr. Arvind Agrawal	Member	10

B. Meetings:

During the FY 2018-19, 10 Committee meetings were held as detailed below:

Sr. No.	Date	Sr. No.	Date
1	24-Apr-18	2	15-May-18
3	29-Jun-18	4	23-Jul-18
5	09-Aug-18	6	20-Sep-18
7	11-Dec-18	8	21-Jan-19
9	26-Feb-19	10	22-Mar-19

C. Terms of Reference:

The terms of reference of the Committee envisage the following:

1. Consider and resolve the grievances of the security holders *inter-alia* consisting of shareholders, debenture-holders, deposit holders, etc of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

Annexure I to the Board's Report *(Contd.)*

2. Review measures taken for effective exercise of voting rights by shareholders.
3. Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Consider and approve issue of duplicate share certificates in lieu of those lost or destroyed.
6. Approval and rejection of transfer or transmission of shares;
7. Issue of duplicate certificates, Rematerialisation of Share Certificates, and certificates to be issued in accordance with Sub-rule 3 of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.
8. Oversee compliances in respect of transfer of unclaimed amounts and shares to and from the Investor Education and Protection Fund.
9. Carry out all the functions as may be entrusted (i) the Board of Directors from time to time; and (ii) by virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

The details of shareholders complaints received and resolved during the FY 2018-19 are as follows:

Nature of Complaint	FY 2018-19	
	Received	**Resolved**
Non-receipt of DEMAT rejection documents	8	8
Non-receipt of Share Certificate	5	5
Non-receipt of Share Certificate after Transfer	2	2
Non-receipt of Dividend Warrant	1	1
NSE- Complaints	1	1
SEBI	12	12
Total	**29**	**29**

There were no pending complaints as on March 31, 2019.

5. Corporate Social Responsibility Committee:

The Company has constituted the 'Corporate Social Responsibility Committee (CSR Committee) under Section 135 of the Companies Act, 2013.

A. Composition:

The composition of the Committee as on March 31, 2019:

Sr. No.	Name of the Director	Designation	No. of Meetings Attended
1	Mr. Arvind Agrawal	Chairman	3
2	Mr. A. T. Vaswani	Member	3
3	Mr. Sandeep Kishore	Member	NIL

B. Meetings:

During the FY 2018-19, 3 meetings of the Committee were held, as detailed below:

Sr. No.	Date	Sr. No.	Date
1	15-May-18	2	20-Sep-18
3	11-Dec-18		

C. Terms of Reference:

The terms of reference of the Committee envisage the following:

- Formulate and recommend a Corporate Social Responsibility Policy to the Board.
- Recommend the amount of expenditure to be incurred on the activities.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company which would form a part of CSR Policy.
- Monitor CSR Policy of the Company.

6. Banking Committee:

The Company has constituted the Banking Committee to delegate the matters regarding opening and closing of bank accounts in India and abroad, change in signatories to existing bank accounts, review of treasury operations, etc.

Annexure I to the Board's Report *(Contd.)*

A. Composition:

The composition of the Committee as on March 31, 2019:

Sr. No.	Name of the Director	Designation	No. of Meetings Attended
1	Mr. A. T. Vaswani	Chairman	5
2	Mr. Sandeep Kishore	Member	NIL
3	Mr. Arvind Agrawal	Member	5

B. Meetings:

During the FY 2018-19, 5 Committee meetings were held as detailed below:

Sr. No.	Date	Sr. No.	Date
1	15-May-18	2	23-Jul-18
3	20-Sep-18	4	11-Dec-18
5	22-Mar-19		

C. Terms of Reference:

The terms of reference of the Committee envisage the following:

1. Authorizing opening and closure of all types of Bank Accounts (including EEFC Accounts) in India and Overseas;
2. Authorizing new signatories and / or change, removal of existing authorised signatories in relation to Bank accounts, loans (granted and availed), working capital facilities and all other types of borrowings;
3. Defining / amending signing powers of new / existing authorised signatories in relation to Bank accounts, loans (granted and availed), working capital facilities and all other types of borrowings;
4. Authorizing new signatories and / or change, removal of existing authorised dealers and / or signatories to undertake, book, execute foreign exchange transactions, foreign exchange forward contracts and option derivatives and execute agreements / documents in this regard;
5. Authorizing new signatories and / or change, removal of existing authorised signatories for making investment of surplus funds within the overall limit specified by the Board and/or its redemption / transfer/sale from time to time.
6. Review of Treasury Operations.

7. Risk Management Committee

Pursuant to the provisions of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held on January 21, 2019, constituted a Risk Management Committee, effective from April 1, 2019.

A. Composition:

The composition of the Committee is as below:

Sr. No.	Name of the Director	Designation
1	Mr. A. T. Vaswani	Chairman
2	Mr. Sudip Nandy	Member
3	Mr. Shashank Singh	Member
4	Mr. Ketan Dalal	Member
5	Mr. Venkatesh Kasturirangan	Member

B. Terms of Reference:

The terms of reference of the Committee envisage the following:

1. Framing, implementing, monitoring and reviewing Risk Management plan, policies, systems and framework of the Company;
2. Validating, evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks;
3. Reviewing the measures taken for risk management and mitigation plan and monitor effectiveness thereof;
4. Carrying out all the functions as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Further, the Board, from time to time, constitutes administrative committee(s), comprising of such number of directors as it deems fit, for administration / monitoring certain business matters. Such committees are for specific purpose only and may get dissolved, once the designated tasks are completed.

8. Meeting of Independent Directors:

During the year under review, the Independent Directors met on February 25, 2019, *inter-alia*, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations. All the Independent Directors were present at the meeting.

Annexure I to the Board's Report *(Contd.)*

Code of Conduct:

The Board of Directors of the Company has laid down a Code of Conduct for all its Members and Senior Management personnel of the Company. This Code of Conduct is uploaded on Company's website www.zensar.com. The Directors and Senior Management have affirmed their compliance with the Code of Conduct for the FY 2018-19. A declaration from the Managing Director and Chief Executive Officer confirming the above is annexed to this report as Annexure A.

9. Familiarisation Program for Independent Directors:

The Company through its Managing Director and other Senior Officials of the Company have presentations sessions periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such presentations provide an opportunity to the Independent Directors to interact with the Senior Officials of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organisation structure, finance, human resources etc. During the year under review, the Board members were provided thorough insight about the business model of the Company through detailed presentations on the operational aspects of the Company's business. Further on a periodic basis external experts are invited to make presentations about important matters and emerging trends.

The details of the Familiarisation Program have been uploaded on Company's website:

https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/FAMILIARISATION%20PROGRAMMES%20FOR%20INDEPENDENT%20DIRECTORS.PDF

10. Details of previous Annual General Meetings and special resolutions passed at such Annual General Meetings:

Particulars	Financial Year 2015-16	Financial Year 2016-17	Financial Year 2017-18
Date and Time	July 20, 2016 at 12.00 noon	July 19, 2017 at 12.00 noon	August 8, 2018 at 12.00 noon
Venue	Registered Office of the Company at Zensar Knowledge Park, Plot # 4, Kharadi MIDC, Off Nagar Road, Pune 411014		

The following Special Resolutions were passed by Members of the Company at the previous three Annual General Meetings:

(i) In the Annual General Meeting held on July 20, 2016

- (a) Cancellation of un-granted Stock Options from 2002 Employees Stock Option Plan;
- (b) Addition of Performance Award Units to Employee Performance Award Unit Plan 2016.

(ii) In the Annual General Meeting held on July 19, 2017

- (a) Adoption of new set of Articles of Association

(iii) In the Annual General Meeting held on August 8, 2018

- (a) Alteration of the capital clause of the Memorandum of Association
- (b) Approval for amendments in Employee Performance Award Unit Plan, 2016 for options granted / to be granted to the employees of the Company.
- (c) Approval for amendments in Employee Performance Award Unit Plan, 2016 for options granted/to be granted to the employees of the subsidiary(ies) of the Company.
- (d) Approval for payment of Commission to Non-Executive Directors.

Annexure I to the Board's Report *(Contd.)*

The Company conducted one postal ballot to obtain approval of its Members as stated in table below for the Special Resolutions pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014 (the Rules).

In compliance with Regulation 44 of the Listing Regulations and provisions of Section 108, Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Rules, the Company had offered e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company had entered into an agreement with Central Depository Services Limited (CDSL) for facilitating e-voting.

The Company had appointed Mr. S. V. Deulkar, Partner of SVD & Associates, Company Secretaries, as Scrutinizer for conducting the postal ballot process (which includes e-voting) in fair and transparent manner.

The result of the postal ballot was declared on March 7, 2019 wherein Special Resolution was declared passed with overwhelming majority by the Members. Details of Voting pattern are as under:

Particulars / Description of item No.	No. of Shares held	No. of Votes Polled	% of Votes Polled	Votes in favor		Votes Against	
				No.	%	No.	%
Continuation of Directorship of Mr. A. T. Vaswani (DIN 00057953), Post attainment of age of Seventy-Five Years	225,124,145	192,294,595	85.42	188,537,192	98.05	3,757,403	1.95

11. Disclosures:

A. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

The transactions with the related parties are disclosed in the Note No. 28 of the Annual Accounts in compliance with Accounting Standard 18 relating to "Related Party Disclosures" and Companies Act, 2013 read with Rules thereunder and Listing Regulations. The Board has approved a 'Policy on Related Party Transactions' web link of which forms part of the Board's Report.

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

B. Statutory Compliance, Penalties and Strictures:

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

C. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee:

The Board of Directors has adopted Whistle Blower Policy. All Associates of the Company are free to approach the Audit Committee of the Company and none of them has been denied access to the Audit Committee during the year under review. The Whistle Blower Policy's web link forms part of Directors' Report.

D. The details of the fees paid to the Statutory Auditors of the Company

The details of the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as below:

Sr. No.	Description	Amount (in INR Lakhs)
1	Audit Fees	376
2	Fees towards Other Services (Certifications)	44
3	Reimbursement of expenses	22
	Total	**442**

E. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with all mandatory requirements laid down by Listing Regulations. Specifically, the Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. The Company has also complied with some of the non-mandatory requirements such as updating Members about the financial performance of the Company including summary of the significant events on quarterly basis, separate posts of Chairman and Managing Director etc.

Annexure I to the Board's Report *(Contd.)*

F. Confirmation by the Board of Directors' acceptance of recommendation of mandatory committees

In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the year under review, it has accepted all recommendations received from its mandatory committees.

12. Means of Communication

- The quarterly, half-yearly and Annual Consolidated Financial Results are published in widely circulated newspapers such as Business Standard / Economic Times, Prabhat / Maharashtra Times, etc. in terms of the Listing Regulations.
- The Company organizes press meets / Analyst's meets to apprise and make public the information relating to the Company's working and performance. The transcripts of the same are uploaded on the Company's website namely www.zensar.com
- Official Press releases are also hosted on Company's website www.zensar.com
- The Financial Results and presentations made to institutional investors or analysts are displayed on the Company's website www.zensar.com
- The Company's website is updated periodically to include information on new developments and business opportunities of the Company.
- The Company hosts quarterly investor updates on its website www.zensar.com to keep its shareholders informed about important developments in the Company.
- The investors can contact the Company on the email id investor@zensar.com.
- Management discussion and analysis forms part of this Annual Report.
- The Company has as per Green initiatives taken by Ministry of Corporate Affairs, invites the Members to register their e-mail addresses with the Company so that all communications / documents including the Notice calling the Annual General Meeting and other General Meeting of the Members along with explanatory statement(s) thereto, Balance Sheets, Director's reports, Auditor's Reports etc., can be sent to them in electronic mode.

13. General Shareholder information:

1. **Annual General Meeting:** The Annual General Meeting of the Company will be held on August 5, 2019 at the registered office of the Company at 12.00 Noon.
2. **Financial Year:** April 1 to March 31.
3. **Book Closure Dates:** The Company's Register of Members and Share Transfer Books will remain closed for the purpose of dividend from July 29, 2019 to August 5, 2019. (Both days inclusive).
4. **Dividend payment:** The Board of Directors have recommended final dividend of INR 1.80 per equity share of INR 2.00 each for the FY 2018-19. Further, during the FY 2018-19, the Board of Directors declared an Interim Dividends at the rate of INR 1.00 per equity share of INR 2.00 each, which was paid on February 14, 2019.
5. **Financial calendar (tentative and subject to change):**

Event	Due Date
Financial reporting for the quarter ending June 30, 2019	August 14, 2019
Financial reporting for the quarter ending September 30, 2019	November 14, 2019
Financial reporting for the quarter ending December 31, 2019	February 14, 2020
Financial reporting for the quarter ending March 31, 2020	May 30, 2020 (Audited)
57th Annual General Meeting for the year ending March 31, 2020	September 30, 2020

6. **Listing on Stock Exchanges:** The Company's Equity Shares are listed on the following Stock Exchanges:
   a. BSE Limited, Phiroze JeeJeebhoy Towers Dalal Street, Mumbai 400 001. (BSE)
   b. National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex Bandra (E), Mumbai 400 051 (NSE)

BSE	504067
NSE	ZENSARTECH
ISIN in NSDL and CDSL	INE520A01027

Listing fees have been paid for the FY 2018-19.

Annexure I to the Board's Report *(Contd.)*

7. Market Price Data

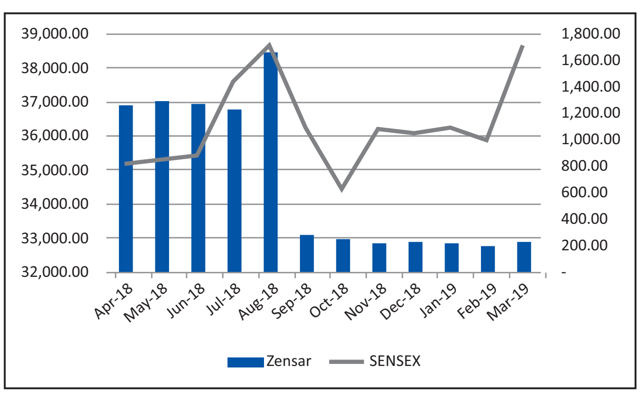
(Amount in INR)

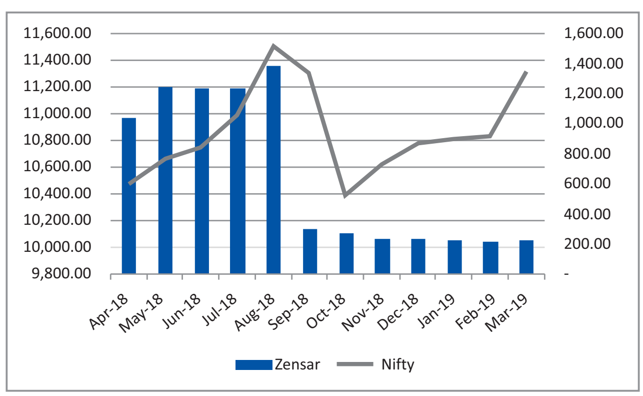
Period	BSE Limited					National Stock Exchange of India Limited				
	High	Low	Close	Total Traded Quantity	Sensex	High	Low	Close	Total Traded Quantity	Nifty
Apr-18	1,309.95	891	1,262.75	1,51,602	35,160.36	1,312.8	900	1,280.2	14,58,928	10,472.93
May-18	1,345.35	1,160.15	1,294.15	95,255	35,322.38	1321	1,160.15	1,304	11,10,472	10,664.45
Jun-18	1,301.30	1,156.60	1,277.80	51,877	35,423.48	1,316.55	1,153.2	1,279	4,11,406	10,742.97
Jul-18	1,295.00	1,207.05	1,235.50	36,960	37,606.58	1,288.2	1202.35	1,235.8	3,37,225	10,991.16
Aug-18	1,699.85	1,133.00	1,669.30	1,46,491	38,645.07	1,704.95	1,141	1,672.95	16,71,148	11,498.44
Sep-18*	1,723.70	259.45	282.6	6,88,067	36,227.14	1,725	258.1	282.55	37,89,910	11,297.06
Oct-18	333	208	254.8	6,04,211	34,442.05	333.95	219.15	256.5	23,67,060	10,383.81
Nov-18	268	217.3	222.35	18,94,351	36,194.30	268.8	216.7	222.4	16,17,126	10,621.79
Dec-18	257.5	222.1	233.35	11,70,341	36,068.33	249.55	221.55	232.15	20,19,598	10,778.44
Jan-19	251.55	219	225.25	77,9135	36,256.69	241.95	219	224.65	25,58,578	10,809.46
Feb-19	232.35	200	200.95	18,31,828	35,867.44	230.45	199.9	201.7	39,18,392	10,833.84
Mar-19	237	196.2	231.65	1,16,045	38,672.91	240	200	230.1	20,71,374	11,317.24

* Pursuant to the approval of Members of the Company at 55th Annual General Meeting held on August 08, 2018, each existing Equity Share of the Company having face value of INR 10.00 (Rupees Ten only) each, has been sub-divided into 5 (Five) Equity Shares having face value of INR 2.00 (Rupees Two only) each fully paid-up w.e.f. September 10, 2018.

Source – Websites: BSE Ltd. (www.bseindia.com) and The National Stock Exchange of India Ltd. (www.nseindia.com)

A performance chart showing Share Price of the Company in comparison with SENSEX as well as Nifty during the year 2018-19 is as below:





Annexure I to the Board's Report *(Contd.)*

8. **Registrar and Share Transfer Agent (RTA):** The Board of Directors at its meeting held on January 21, 2019 appointed M/s Karvy Fintech Private Limited ("Karvy") as the RTA of the Company in place of existing RTA, M/s. Bigshare Services Private Limited for the shares of the Company effective from FY2019-20. The appointment of Karvy was made with a view to avail its better infrastructure facilities and wider reach with an aim to move towards higher digitisation of records and effective resolution of shareholders' grievances. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Share Registrar and Transfer Agents at the address given below:-

Karvy Fintech Private Limited
Address: Karvy Selenium, Tower B, Plot No- 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi TG 500032 IN

The details of the concerned person in Karvy Fintech Private Limited are as under:-

Name	Telephone no.	E-mail ID	Fax No.
Balaji Reddy S	+91 40 67161571	einward.ris@karvy.com	+91 40 23001153

9. **Share Transfer System:** To expedite the transfer in physical mode, authority has been delegated to Stakeholders Relationship Committee of the Board. The Committee considers requests for transfers, transmission of shares, issue of duplicate certificates, issue of certificates on split/consolidation/ renewal etc. and the same are processed and delivered within 15 days of lodgment if the documents are complete in all respects. In compliance with the listing Guidelines, every six months, the share transfer process is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

10. **Distribution Schedule:**

No. of equity Shares held	As on March 31, 2019			
	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	21,523	77.59	31,05,818	1.38
501 -1,000	3,021	10.89	24,35,648	1.08
1,001-2,000	1,660	5.98	24,66,262	1.10
2,001-3,000	594	2.15	14,92,261	0.66
3,001-4,000	230	0.83	8,20,612	0.36
4,001-5,000	189	0.68	8,90,950	0.40
5,001-10,000	249	0.90	1,826,510	0.81
10,001 & above	272	0.98	21,21,46,859	94.21
Total	**27,738**	**100**	**22,51,84,920**	**100**

11. **Dematerialisation of shares and liquidity:** The shares of the Company are in compulsory dematerialised mode. The status of dematerialisation of shares as on March 31, 2019 is as under:

Particulars	No. of shares	% of issued capital
Held in dematerialised form in CDSL	60,34,849	2.68
Held in dematerialised form in NSDL	21,71,97,676	96.45
Physical	19,52,395	0.87
Total	**22,51,84,920**	**100.00**

Annexure I to the Board's Report *(Contd.)*

12. Shareholding pattern:

Category	As on March 31, 2019			
	No. of Shareholders	% Shareholders	No. of Shares held	% Shareholding
Promoters	13	0.05	11,00,40,796	48.87
Mutual Funds, Financial Institutions/ Banks, Alternate Investment Funds, Insurance Companies, FIIs, Foreign Portfolio Investors, NBFCs registered with RBI	124	0.46	4,36,86,215	19.40
Individual Shareholders	25,842	95.70	1,56,29,370	6.94
Bodies Corporate	258	0.96	21,47,030	0.95
NRI's & Overseas Corporate Bodies	627	2.33	9,22,414	0.40
IEPF	1	-	8,74,880	0.39
Public Others	128	0.46	5,18,84,215	23.05
Total	**26,993**	**100.00**	**22,51,84,920**	**100.00**

13. Outstanding GDRs/ADRs/ Warrants/ESOPs or any Convertible instruments:

As of March 31, 2019, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company except Stock Options granted under the 2002 Employees Stock Option Scheme, the 2006 Employees Stock Option Scheme and Employee Performance Award Unit Plan, 2016, details of which have been disclosed in the Board's Report.

14. Commodity Price Risk, Foreign exchange risks and hedging activities:

The Company does not have any exposure to commodity price risk. Further, the Company manages the foreign exchange risk as per the Board approved policy. The foreign exchange and hedging details form part of the Notes to Accounts.

15. Credit Rating:

ICRA has reaffirmed the credit rating of $A1^{+}$ for short term and AA^{+} for long term. As on March 31, 2019 there is no outstanding borrowing by the Company.

16. Secretarial Standards issued by the Institute of Company Secretaries of India:

The Company complies with the Secretarial Standards, as applicable.

17. Nomination:

Members can avail of nomination facility. Blank nomination forms will be supplied on request which is also available on the website of the Company under the Investor's section.

18. Address for Communication

Mr. Gaurav Tongia
Company Secretary and Compliance Officer,
Zensar Technologies Ltd.
Zensar Knowledge Park, Kharadi, Plot No. 4, MIDC,
Off Nagar Road, Pune 411 014, India.
Phone No. (020) 66074000,
Fax No: (020) 66074433, Email: investor@zensar.com

Annexure I to the Board's Report *(Contd.)*

19. Other Shareholders related information:

Provision of the Listing Regulations with respect to Unclaimed Shares

Regulation 39(4) of SEBI Listing Regulations read with Schedule VI "Manner of dealing with Unclaimed Shares", requires Companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL. All corporate benefits on such shares viz. bonus, dividends etc. shall be credited to the unclaimed suspense account, for a period of seven years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

Disclosure with respect to shares lying in suspense account:

Particulars	Shareholders	Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2018	341	24,804
Number of shareholders who approached the Company for transfer of shares from suspense account during the period 2018-19	2	150
Number of shareholders to whom the shares were transferred from the suspense account during the period 2018-19	1	50
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	245	85,635*

* During the year under review 38,135 shares belonging to 95 shareholders have been transferred to Investor Education and Protection Fund (IEPF). The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Disclosures about following points which are mandatory as per Clause C of Schedule V:

1. Web link where policy for determining 'material' subsidiaries is disclosed (point (e) of Clause C of Schedule V of LODR) is as below;

   https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/Policy%20for%20determining%20material%20subsidiaries%20%281%29.pdf

2. The details of the operational business locations in India are as below:

Sr. No.	Location
1	2nd Floor, Wing 2, Cluster C, Eon Free Zone, S. No. 77, Plot No.1, Kharadi Pune- 411014 Maharashtra India
2	4th Floor in Tower B of EON SEZ Phase II, S. No.72/2/1, Kharadi, Pune- 411014 Maharashtra India
3	SEZ Unit, 1st Floor, Wing 2 Cluster E, on Free Zone, S. No. 77, Plot No.1, Kharadi Pune- 411014 Maharashtra India
4	First floor in Wing 2 of Cluster C, on Free Zone, S. No. 77, Plot No.1, Kharadi Pune- 411014 Maharashtra India
5	101 & 102, 1st Floor, RMZ Eccoworld Campus, RMZ Ecoworld Varthur, Hobli, Bengaluru Rural 560103 Karnataka India
6	RMZ Ecoworld, Campus 4C, Unit No.102, 1st Floor, Sarjapur, Devarabeesanahalli Village Varthur Hobli Bengaluru Rural 560103 Karnataka

Annexure I to the Board's Report *(Contd.)*

Sr. No.	Location
7	2nd Floor of Building 11, SEZ Cessna Business Park, Kadubeesanhalli Village, Varthur Hobli Outer Ring Road, Bengaluru Urban 560087 Karnataka India
8	DLF Cyber City Part of 1st Floor, Block-3, Plot No.129-132, APHB Colony, Gachibowli Village, Hyderabad 500019 Telangana India
9	DLF Cyber City Part of 09th Floor, Block-3, Plot No.129-132, APHB Colony, Gachibowli Village, Hyderabad 500019 Telangana India
10	Part of 8th Floor, Bloc 3, DLF Assets Pvt Ltd, DLF Cyber City, Gachibowli Village, Serilingampalli Mandal Hyderabad 500019 Telangana India
11	Part of 1st Floor, Block 3, DLF Assets Pvt Ltd, DLF Cyber City, Gachibowli Village, Serilingampalli Mandal Hyderabad 500019 Telangana India

3. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report.

4. A Certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed with this report as Annexure B;

5. Compliance certificate from practicing Company secretaries regarding compliance of conditions of corporate governance is annexed with this report as Annexure C.

Annexure I to the Board's Report *(Contd.)*

CEO & CFO CERTIFICATION

We, Sandeep Kishore, Managing Director and Chief Executive Officer and Navneet Khandelwal, Chief Financial Officer of Zensar Technologies Ltd., in terms of Regulation 17(8) of SEBI Listing Regulations read with Part B of Schedule II, hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2019 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year under review which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee:

- (i) significant changes in internal control over financial reporting during the year under review;
- (ii) significant changes in accounting policies during the year under review and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Pune	**Sandeep Kishore**	**Navneet Khandelwal**
Date: April 30, 2019	Managing Director and Chief Executive Officer	Chief Financial Officer

ANNEXURE A

CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company in terms of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct is uploaded at Company's Website.

I hereby confirm that the Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct for the FY 2018-19.

Mumbai	**Sandeep Kishore**
Date: April 30, 2019	Managing Director and Chief Executive Officer

Annexure I to the Board's Report *(Contd.)*

ANNEXURE B

CERTIFICATE PURSUANT TO CLAUSE L0(I) OF PARA C TO SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To,

The Members of Zensar Technologies Limited

We have examined various disclosures and information received from Zensar Technologies Limited and the directors of the Company pursuant to the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, and other relevant disclosures as applicable on the date of issue of this certificate.

Based on our verification of these disclosures, information about the directors available on the website of Ministry of Corporate Affairs, Securities and Exchange Board of India, BSE India Ltd, National Stock Exchange of India Ltd and other records maintained and provided by the Company, its officers, agents and authorized representatives, we hereby certify that none of the directors on the Board of the Company, stated below for the Financial Year ended on March 31, 2019, have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1	Mr. H. V. Goenka	00026726	September 4, 2001
2	Mr. Anant Goenka	02089850	January 21, 2019
3	Mr. Sandeep Kishore	07393680	January 12, 2016
4	Mr. Arvind Agrawal	00193566	January 29, 2002
5	Mr. Shashank Singh	02826978	October 20, 2015
6	Mr. A.T. Vaswani*	00057953	April 1, 2015
7	Mr. Venkatesh Kasturirangan*	00804869	April 1, 2015
8	Mr. Sudip Nandy*	07199187	July 15, 2015
9	Mr. Ben Druskin*	07935711	November 3, 2017
10	Mr. Ketan Dalal*	00003236	November 3, 2017
11	Ms. Tanuja Randery*	08014909	January 18, 2018
12	Mr. Harsh Mariwala*	00210342	January 18, 2018

*Independent Directors

For **SVD & Associate**
Company Secretaries

S. V. Deulkar
Partner
F.C.S. 1321
C.P. No. 965

Place: Pune
Date: April 30, 2019

Annexure I to the Board's Report *(Contd.)*

ANNEXURE C

CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

To,

The Members of Zensar Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Zensar Technologies Limited (hereinafter referred "the Company"), for the year ended on March 31, 2019 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that, this certificate is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associate**
Company Secretaries

S. V. Deulkar
Partner
F.C.S. 1321
C.P. No. 965

Place: Pune
Date: April 30, 2019

Annexure J to the Board's Report

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE Company

Identity Number (CIN) of the Company:	L72200PN1963PLC012621
Corporate Name of the Company:	Zensar Technologies Limited
Registered address:	Zensar Knowledge Park, Plot#4, MIDC Kharadi Off Nagar Road, Pune 411014
Website:	www.zensar.com
E-mail id:	investor@zensar.com
Financial Year reported:	2018-19
Sector(s) that the Company is engaged in (industrial activity code-wise):	620 (Software development and allied services)
List three Key products/services that the Company manufactures/provides (as in balance sheet):	• Application Management Services • Infrastructure Management Services
• Total number of locations where business activity is undertaken by the Company • Number of International Locations (Provide details of major 5) • Number of National Locations	The key geographical regions for the Company include the United States of America (US), United Kingdom, South Africa and India. **In US,** the Company's primary presence is in East and West coast. Key locations consist of San Jose, Westborough, Northborough, Dallas, Bellevue, Washington, Raleigh and Princeton. This region has both corporate and sales offices and customer delivery centre in North Carolina. **In Europe,** the Company's presence extends to parts of UK and Netherlands. The Company also has presence in Austria, Switzerland and Czech Republic. The sales offices are located in Reading and Folgate Street, London. **In South Africa,** Company is based in Johannesburg and Cape Town along with a nearshore delivery centre in the region. **In India,** the global headquarters and delivery center is located in Pune. Company has presence in Hyderabad and Bangaluru too.
Market Served by the Company	Company provides services to about 22 countries across the world.

Annexure J to the Board's Report *(Contd.)*

SECTION B: FINANCIAL DETAILS OF THE Company

Paid up Capital (INR Lakhs)	4,504
Total Turnover (INR Lakhs)	3,96,633
Total profit after taxes (INR Lakhs)	31,865
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	About 2.50%

List of activities in which expenditure in above has been incurred:

Sr. No	Programme Details	Sector in which covered
A	Udaan English program, Health programs, Community mobilization. Gender Equity Program, School Programs, Netranjali, Economic Development program and community-based skilling program.	Community development
B	Swayam (2 wheeler driving program for women) and Sanjeevani (General duty Asst program for women)	Employability enhancement
C	Udaan Biodiversity Park	Environment Sustenance
D	National Digital Literacy Buses	Digital Literacy
E	Training programmes for Employability & Skill Development	Employability enhancement

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	Yes, as detailed in the From MGT-9, which forms part of this Annual Report.
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	N.A.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	N.A. However, the Company implements its Corporate Social Responsibility initiatives primarily through the RPG Foundation, a public charitable trust set up to undertake CSR for the RPG Group.

Annexure J to the Board's Report *(Contd.)*

Principle No.	Details of Principle	Key applicable policy	Link on the website	Approved by Board of Directors of the Company
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Code of Conduct	https://www.zensar.com/investor/reports?type=8	Yes
		Whistle Blower Policy	https://www.zensar.com/investor/reports?type=8	
		RPG Code of Corporate Governance and ethics.	NA	Yes
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	EHS Policy	https://www.zensar.com/sites/default/files/QMS%20and%20EHSEn%20Policy%20and%20Objectives%20-%20FY%2018-19.pdf	No
		Quality Policy	https://www.zensar.com/accreditations-and-certifications	No
3	Businesses should promote the well-being of all employees.	Flexi Timing Policy	NA	No
		Maternity Policy		
		Employee Assistance Program Policy		
		Health & Safety Policy		
		Physical & Safety Policy		
		Employee Insurance policy		
		Parents Medicare Policy		
		Annual Health Check Up		
		Pregnancy Care		
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy	http://www.zensar.com/about-us/csr/csr-policy	Yes
		BBBEE initiatives	http://www.zensar.com/about-us/media/press-release/zensar-kapela-holdings-and-tomorrow-trust-join-hands-south-africa-pune	No
		Diversity policy	NA	No
5	Businesses should respect and promote human rights.	Code of Conduct	https://www.zensar.com/investor/reports?type=8	Yes
		Whistle Blower Policy	https://www.zensar.com/investor/reports?type=8	Yes
		Policy and practices to combat Modern Slavery and Human Trafficking for India and UK regions	https://www.zensar.com/sites/default/files/investor/policies-reports-fillings/slavery-statement2018.pdf	No

Annexure J to the Board's Report *(Contd.)*

Principle No.	Details of Principle	Key applicable policy	Link on the website	Approved by Board of Directors of the Company
6	Businesses should respect, protect, and make efforts to restore the environment	Environment, Energy, Health and Safety Policy	https://www.zensar.com/sites/default/files/QMS%20and%20EHSEn%20Policy%20and%20Objectives%20-%20FY%2018-19.pdf	No
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code of Conduct	https://www.zensar.com/investor/reports?type=8	Yes
8	Businesses should support inclusive growth and equitable development.	CSR Policy	http://www.zensar.com/about-us/csr/csr-policy	Yes
		BBBEE initiatives	https://www.zensar.com/about-us/media/press-release/zensar-kapela-holdings-and-tomorrow-trust-join-hands-south-africa-pune	No
		Diversity policy	NA	No
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Code of Conduct	https://www.zensar.com/investor/reports?type=8	Yes
		Quality Policy	https://www.zensar.com/accreditations-and-certifications	No

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

2. Governance related to BR

S. No.	Particulars	Details
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	An annual review of BR performance is conducted.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The annual BR Report is published on the website, as part of the Annual report.

Annexure J to the Board's Report *(Contd.)*

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

The Company, in its endeavour to be accountable, has in place an Ethics committee that is empowered to investigate all matters of suspected violation of ethical standards of the Company. Further a dedicated mobile application called ZenPolicies has been put in place, which combines all policies under ethics, transparency and accountability and as ready reference for employees.The policies are revisited periodically to keep them in sync with emerging business environment. This ready availability of documented policies enforce transparency and accountability.

Principle 2: Products Lifecycle Sustainability

The business operations of Company include software and software related services. The Company takes cognizance of the social and environmental impact that may be caused due to its operational activities (like: Waste management (including e-waste), Energy Management, CSR activities) and is certified for ISO 14001:2015 *(Environmental Management System)*, ISO 45001:2018 *(Occupational Health and Safety Management System)* and ISO 50001:2011 (Energy Management System). The above certifications are implemented consistently thus monitoring methodologies are defined and consumption of resources like energy and water are tracked. Reduction in consumption targets in energy at the Company level, is undertaken and monitored.

Principle 3: Employee's Well-being:

The Company believes that its employees are its greatest strength and a healthy and happy employee can deliver optimum results for the long term.

The Company regularly undertakes health awareness initiatives. The health and safety aspect is integrated into business planning, decision-making and management practices.

In addition to the prescribed channels of communication with the Management/ Audit Committee, the Company provides various forums to employees for raising their concerns such as ZenVerse a mobile application, wherein employee can directly interact with the CEO & MD of the Company.

Principle 4: Stakeholder Engagement

The Company follows a transparent and proactive culture of ensuring that all its stakeholders including investors, employees, customers, analysts, and media are reasonably kept informed on key initiatives and business plans. Company practices a culture of transparency on policies, people led initiatives and other key aspects of the business operations.

The Quality Policy of the Company outlines the commitment to meeting customer's needs and expectations by delivering industry-relevant services and solutions, through continual improvement of processes and systems.

The Company is committed to engage with its investors regularly with investor calls, announcement of financial results, frequent updates to investors, media announcements on key initiatives and interactions. The Company's website is regularly updated with news releases, financial reports, quarterly reports and annual reports for easy access to the public. The Investor Relations team organizes quarterly results calls with analysts and investors. The Annual General Meeting gives the shareholders, an opportunity to interact with the Board Members and the leadership team of the Company.

Principle 5: Human Rights

The Company respects, practices and upholds Human Rights, which involve codification of what it means to treat others, with dignity and respect. Transparency, safe working environment and integrity is the foundation on which, the Company conducts its business operations.

Principle 6: Environment

Company's environment policy is pivoted and derived on the basis of ISO 14001 framework. The policy covers the Company, suppliers and contractors. EHSEn certification was one of the strategic initiatives taken by the Company towards this end. An aspect impact study is conducted and potential environmental risks are identified at department /function and project delivery levels and associated mitigations are documented.

Annexure J to the Board's Report *(Contd.)*

Various energy and water conservation techniques like, real time energy monitoring and control, Installation of air cooled intelligent HVAC system with VAV & VFDs which results into low energy consumption, Sewage treatment plant (STP) for waste water treatment, Biogas plant for canteen waste, vermicompost plant for garden waste and motion based urinal for water consumption, double walled construction for AC halls for excellent thermal insulation and reduction of load on air conditioning, LED light fittings with occupancy and day lights sensor for low power consumption, have been implemented. These efforts helped the Company to achieve power saving of 7,60,00 units across all location for FY 2018-19. Such consumption and conservation data is prominently displayed at conspicuous place(s) within the campus, to further raise the awarness.

Principle 7: Policy Advocacy

The Company understands and takes full responsibility in its role in influencing public advocacy and regularly takes part in supporting initiatives that maybe helpful to the community at large. It is well represented in key industry associations like the NASSCOM etc. Such engagements help to contribute to the development of Industry and to make a transformational difference to the issues that matter, most to its business, industry and consequently to the country, as a policy and a value norm.

Principle 8: Inclusive Growth

The Company has a robust CSR initiative framework that is aimed at transforming the community in its areas of operations. The CSR activities are primarily managed by RPG Foundation. RPG Foundation (RPGF) is set up as a public charitable trust to undertake activities in the field of social welfare and reform, across wide range of areas including education, employability, health, community development etc.

The entire CSR programs are structured and strategized through the principles:

- Fostering Individual & Community Agency
- Facilitating transformational leadership across our programs
- Enabling Active Citizenship – 4P model: Public, Private and People Partnership
- Amplification of good
- Create and scale replicable models
- Impact Oriented Programming.

All programs are initiated by carrying out a need-assessment by using 'human-capacities' framework – which gauges community needs. The programs that are introduced are monitored closely, and community feedback is taken into consideration before continuing them. Interventions are also designed in such a way that their relevance to the community's social and economic growth are inter-connecting, bringing in elements of ownership. There have been many incidences where the programs have built the community's inter-personal capacities, and programs are also being replicated at relevant scales – individually or at community level. The success stories are captured by looking at individual and community transformation in comparison to the principles of the CSR work.

Principle 9: Customer Value

All efforts are made towards delivering on customers' expectations, by adhering to all agreed deliverables. Since Company's operations span across multiple customer locations in multiple geographies, it is imperative that the Company complies with legal requirements of each local laws. To ensure this, the inhouse Legal Team and contract excellence team are regularly updated on various regulations, to ensure that there is awareness and due compliance.

Further in-depth Customer Satisfaction surveys are conducted to capture customer perception about the services delivered by the Company. It also serves as a credible, third party feedback on customer delivery framework. The feedback so received are accordingly acted upon so as to work towards consistent and continued improvements.

For and on behalf of the Board

H.V. Goenka
Chairman

Place: Mumbai
Date: April 30, 2019

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FINANCIAL STATEMENTS
STANDALONE

Independent Auditors' Report

TO THE MEMBERS OF ZENSAR TECHNOLOGIES LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Zensar Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditors' Response
1	**Impairment of goodwill** Goodwill of Rs 8,402 lakhs as at March 31, 2019 is allocated to the various cash generating units (CGU) as set out in note 33 to the standalone financial statements. Atleast once a year, management ensures that the net carrying amount of goodwill is not greater than the recoverable amount. Any adverse change in the business activities to which goodwill has been allocated, due to internal or external factors such as the financial and economic environment in markets where the Company operates, may have a significant adverse effect on the recoverable amount of goodwill and require the recognition of impairment. In such a case, it is necessary to reassess the relevance of the assumptions used to determine the recoverable amounts and the reasonableness and consistency of the criteria used in the calculation. The impairment testing methods and details of the assumptions made are described in note 33 to the standalone financial statements. The recoverable amount is determined based on value in use, which is calculated based on the present value of the estimated future cash flows expected to arise from respective cash generating unit. We have included the impairment assessment of goodwill as a key audit matter given the significance of the amounts involved and level of judgement required in order to determine whether goodwill is impaired.	**Principal audit procedures performed:** • We evaluated the design of internal controls and their operating effectiveness, relating to testing of impairment of goodwill. • We gained an understanding of and assessed the impairment testing process implemented by management; evaluated the appropriateness of the model used to calculate value in use and the method used to identify cash generating units (CGU); • We evaluated the reasonableness of management's assumptions around investment market conditions by comparing to industry information; historical information and rationale for changes in assumptions; if any.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditors' Response
2	Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer note 2(d) and note 23 to the standalone financial statements.	**Principal audit procedures performed:** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • We selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • We selected a sample of continuing and new contracts and performed the following procedures: o Tested the documentation that demonstrates the distinct performance obligations o Compared these performance obligations with that identified and recorded by the Company. o Considered the terms of the contracts to determine the transaction price including any variable consideration and its basis to test the transaction price used to compute revenue to be recognized o Assessed whether the management has appropriately identified the amounts to be recognised over a period of time or at a point in time.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditors' Response
3	**Appropriateness of recognition of revenue and onerous obligations in respect of fixed price contracts involves critical estimates** The Company's revenue from operations includes a significant portion of project based revenues from fixed price contracts. These projects are generally IT infrastructure development and integration, system implementation and maintenance and are often completed across a number of years. Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining contract performance obligations. Refer note 3(a) to the standalone financial statements. We classified the above as a key audit matter due to the uncertainty involved in project revenue estimates as a result of the complex and long term nature of the projects.	**Principal audit procedures performed:** • We evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • We selected a sample of contracts and tested the operating effectiveness of the internal controls for the fixed price projects through inspection of evidence of performance of these controls. • We assessed revenue recognised using the percentage of completion method by performing the following procedures for selected samples: o Checked mathematical accuracy of percentage of completion calculations. o Agreed actual manpower efforts to approved timesheets and payroll records. o Tested the reasonableness of forecast costs to complete by comparing them with actual costs incurred to date and budgets. o Agreed accrued costs to date to supporting calculations. Our conclusions were consistent with the accounting policy stated in note no. 2(d).

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Snapshot and Board's Report including its annexures but does not include the standalone financial statements and our auditor's report thereon. The Corporate Snapshot and Board's Report including its annexures are expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the corporate snapshot and Board's Report including its annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls,

Independent Auditors' Report (Contd.)

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: April 30, 2019

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Zensar Technologies Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: April 30, 2019

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the completion certificate /occupancy certificate/property tax documents provided to us, we report that, the title deeds of buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act. Accordingly reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019, for a period of more than six months from the date they became payable.

Annexure "B"
to the Independent Auditors' Report (Contd.)

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Value Added Tax and Cess which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute/ Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Amount Unpaid* (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)
The Income-Tax Act, 1961	Assessing Officer	2006-07	0#	-
	Income Tax Appellate Tribunal	2007-08	1	-
	Income Tax Appellate Tribunal	2008-09	4	-
	Income Tax Appellate Tribunal	2010-11	74	-
	Commissioner of Income Tax (Appeals)	2013-14	125	-
Finance Act, 1994/ Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2005-06	10	-
	Customs, Excise and Service Tax Appellate Tribunal	2005-06	2	-
Maharashtra Value Added Tax, 2002	Joint Commissioner of Sales Tax (Appeals)	2009-10	54	5
	Maharashtra Sales Tax Tribunal	2011-12	70	7
	Joint Commissioner of Sales Tax (Appeals)	2013-14	128	8

* Net off amount paid under protest
# denotes amount less than Rs. 1 lakh.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

Annexure "B" to the Independent Auditors' Report (Contd.)

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or associate companies or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: April 30, 2019

Standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	As at 31 March, 2019	As at 31 March, 2018
Assets			
Non-current assets			
(a) Property, plant and equipment	4	8,126	8,400
(b) Capital work-in-progress		31	158
(c) Goodwill	33	8,402	8,402
(d) Other intangible assets	5	3,603	4,189
(e) Intangible assets under development		629	359
(f) Financial assets			
i. Investments	6 (a)	6,318	12,676
ii. Loans	6 (d)	-	-
iii. Other financial assets	6 (g)	2,979	2,118
(g) Income tax assets (net)	16 (a)	2,422	1,807
(h) Deferred tax assets (net)	7	3,392	3,004
(i) Other non-current assets	8	996	1,171
Total Non-current assets		36,898	42,284
Current assets			
(a) Financial assets			
i. Investments	6 (b)	4,536	13,023
ii. Trade receivables	6 (c)	87,382	71,041
iii. Cash and cash equivalents	6 (e)	12,462	4,389
iv. Other balances with banks	6 (f)	586	224
v. Other financial assets	6 (h)	28,022	20,439
(b) Other current assets	9	5,016	3,953
Total current assets		138,004	113,069
Total assets		**174,902**	**155,353**
Equity and liabilities			
Equity			
(a) Equity share capital	10 (a)	4,504	4,499
(b) Other equity			
i. Reserves and surplus	10 (b) & 10 (c)	142,385	121,025
ii. Other components of equity	10 (d)	194	(233)
Total equity		147,083	125,291
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	11 (a)	319	595
ii. Other financial liabilities	11 (b)	-	4,097
(b) Provisions	13	209	88
(c) Employee benefit obligations	14	1,450	1,496
Total non-current liabilities		1,978	6,276
Current liabilities			
(a) Financial liabilities			
i. Trade payables	12		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,672	9,020
ii. Other financial liabilities	11 (b)	12,528	10,735
(b) Employee benefit obligations	14	1,410	1,493
(c) Other current liabilities	15	1,777	1,706
(d) Income tax liabilities (net)	16 (a)	1,454	832
Total current liabilities		25,841	23,786
Total liabilities		**27,819**	**30,062**
Total equity and liabilities		**174,902**	**155,353**

The accompanying notes form an integral part of the standalone financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: April 30, 2019

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Statement of Standalone Profit and Loss

(All amounts in INR Lakhs, except earnings per share)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
(a) Revenue from operations	17	137,008	128,581
(b) Other income (net)	18	8,499	6,275
Total income		**145,507**	**134,856**
Expenses			
(a) Purchase of licenses for software applications		1,209	2,574
(b) Employee benefits expense	19	78,949	74,925
(c) Subcontracting costs		3,934	2,708
(d) Finance costs	20	918	1,214
(e) Depreciation and amortisation expense	21	4,278	4,610
(f) Other expenses	22	22,868	23,147
Total expenses		**112,156**	**109,178**
Profit before tax		33,351	25,678
Tax expense	24		
(a) Current tax		8,169	7,374
(b) Deferred tax		(618)	(954)
Total tax expense		7,551	6,420
Profit for the year		**25,800**	**19,258**
Other comprehensive income / (loss)			
I) (a) **Items that will not be reclassified to profit or loss**			
- Remeasurements of defined employee benefit plans	14	159	647
(b) Income tax relating to items that will not be reclassified to profit or loss	24	(48)	(224)
		111	423
II) (a) **Items that will be reclassified to profit or loss**			
Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)	10 (d)	657	(1,593)
(b) Income tax relating to items that will be reclassified to profit or loss	10 (d)	(230)	557
		427	(1,036)
Other comprehensive income / (loss) for the year, net of tax		**538**	**(613)**
Total comprehensive income / (loss) for the year		**26,338**	**18,645**
Earnings per share - [nominal value per share Rs.2/-]	32		
- Basic		11.46	8.57
- Diluted		11.27	8.48

The accompanying notes form an integral part of the standalone financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: April 30, 2019

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Statement of Standalone changes in equity

(All amounts in INR Lakhs, unless otherwise stated)

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
4487	12	4499
Balance as at April 1, 2018	**Changes in equity share capital during the year**	**Balance as at March 31, 2019**
4499	5	4504

Particulars	Notes	Reserves and Surplus						Other components of equity		Total
		Capital redemption reserve	Share based payment reserve	Securities premium	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Foreign currency translation reserve	
Balance as at April 1, 2017		**442**	**1,833**	**2,037**	**18,403**	**84,631**	**180**	**1,009**	**(206)**	**108,329**
Profit for the year	10 (c)	-	-	-	19,258	-	-	-	-	19,258
Effective portion of gain / (loss) on Cash Flow Hedge (net).	10 (d)	-	-	-	-	-	-	(1,036)	-	(1,036)
Remeasurements of defined employee benefit plans (net of tax)	10 (c)	-	-	-	423	-	-	-	-	423
Total comprehensive income for the year		**-**	**-**	**-**	**19,681**	**-**	**-**	**(1,036)**	**-**	**18,645**
Dividends paid (including Dividend Distribution Tax)	10 (c)	-	-	-	(6,260)	-	-	-	-	(6,260)
Recognition of Employee Share based payment expense	10 (c)	-	369	-	-	-	-	-	-	369
Transferred from / to Securities premium on exercise of stock options	10 (c)	-	(95)	95	-	-	-	-	-	-
Received on exercise of stock options	10 (c)	-	-	246	-	-	-	-	-	246
Transferred to group company	10 (c)	-	(537)	-	-	-	-	-	-	(537)
Stock options lapsed/cancelled during the year	10 (c)	-	(222)	-	-	222	-	-	-	-
Transferred to general reserve	10 (c)	-	-	-	(10,000)	10,000	-	-	-	-
Balance as at March 31, 2018		**442**	**1,348**	**2,378**	**21,824**	**94,853**	**180**	**(27)**	**(206)**	**120,792**

Particulars	Notes	Reserves and Surplus						Other components of equity		Total
		Capital redemption reserve	Share based payment reserve	Securities premium	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Foreign currency translation reserve	
Profit for the year	10 (c)	-	-	-	25,800	-	-	-	-	25,800
Effective portion of gain / (loss) on Cash Flow Hedge (net).	10 (d)	-	-	-	-	-	-	427	-	427
Remeasurements of defined employee benefit plans (net of tax)	10 (c)	-	-	-	111	-	-	-	-	111
Total comprehensive income for the year		**-**	**-**	**-**	**25,911**	**-**	**-**	**427**	**-**	**26,338**
Dividends paid (including Dividend Distribution Tax)	10 (c)	-	-	-	(6,333)	-	-	-	-	(6,333)
Recognition of Employee Share based payment expense	10 (c)	-	1,647	-	-	-	-	-	-	1,647
Transferred from / to Securities premium on exercise of stock options	10 (c)	-	(58)	58	-	-	-	-	-	-
Received on exercise of stock options	10 (c)	-	-	135	-	-	-	-	-	135
Stock options lapsed/cancelled during the year	10 (c)	-	(88)	-	-	88	-	-	-	-
Transferred to retained earnings	10 (c)	-	-	-	180	-	(180)	-	-	-
Transferred to special economic zone re-investment reserve	10 (c)	-	-	-	(1,500)	-	1,500	-	-	-
Transferred to general reserve	10 (c)	-	-	-	(12,000)	12,000	-	-	-	-
Balance as at March 31, 2019		**442**	**2,849**	**2,571**	**28,082**	**106,941**	**1,500**	**400**	**(206)**	**142,579**

The accompanying notes form an integral part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: April 30, 2019

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Statement of Standalone Cash Flows for year ended March 31, 2019

(All amounts in INR Lakhs, except earnings per share)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Cash flow from operating activities				
Profit before taxation		33,351		25,678
Adjustments for:				
Depreciation and amortisation	4,278		4,610	
Employee share based payment expense	477		82	
(Profit) / loss on sale of investments (net)	(2,796)		(637)	
Changes in fair value of financial assets at fair value through profit and loss	1,796		(720)	
Dividend income	(870)		(1,256)	
Interest income	(317)		(209)	
Finance costs	875		1,214	
(Profit) / loss on sale of tangible assets (net)	9		(43)	
Bad Debts written off	492		388	
Provision for doubtful debts (net)	1,103		2,241	
Provisions no longer required and credit balances written back	(372)		(115)	
Profit on disposal of subsidiaries	(513)		-	
Profit on transfer of customer contracts	(1,567)		-	
Provision for impairment in the value of investments	78		-	
Unrealised exchange gains / (loss) net	1,578	4,251	(2,178)	3,377
Operating profit before working capital changes		**37,602**		**29,055**
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	(860)		(655)	
(Increase)/ decrease in other non current assets	467		(161)	
(Increase)/ decrease in trade receivables	(21,197)		(11,563)	
(Increase)/ decrease in other current financial assets	(3,935)		836	
(Increase)/ decrease in other current assets	(1,079)		(45)	
Increase/ (decrease) in non current provisions	121		9	
Increase/ (decrease) in non current employee benefit obligations	(45)		(32)	
Increase/ (decrease) in trade payables	90		3,791	
Increase/ (decrease) in other current financial liabilities	2,026		135	
Increase/ (decrease) in current employee benefit obligations	185		(533)	
Increase/ (decrease) in other current liabilities	96	(24,131)	(138)	(8,356)
Cash generated from operations		**13,471**		**20,699**
Income taxes paid (net of refunds)		(8,210)		(6,634)
Net cash inflow from operating activities		**5,261**		**14,065**
Cash flow from investing activities				
Purchase of tangible/intangible assets including capital work in progress	(3,855)		(3,859)	
Investment in Subsidiaries (Refer Note 6(a))	(1,270)		(140)	
Purchase of Business (Refer Note 35(a))	-		(4,987)	
Payment of deferred consideration (Refer Note 35(b))	(3,179)		-	
Proceeds from sale of tangible/intangible assets	40		64	
Purchase of investments (Mutual Funds)	(79,121)		(60,098)	
Sale of investments (Mutual Funds)	95,202		59,080	
Investment in Non Convertible Debentures	-		(750)	
Redemption of Non Convertible Debentures	814		-	
Sales of Shares in Subsidiary (Refer Note 37)	921		-	

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Proceeds from disposal of business (Refer Note 38)	847		-	
Interest income received	292		217	
Dividend income received	870		1,256	
Deposits Kept	(350)			
Net cash used in investing activities		**11,211**		**(9,217)**
Cash flow from financing activities				
Proceeds from allotment of Equity Shares under Employee Stock Option Schemes	140		258	
Dividend on equity shares and tax thereon paid	(6,333)		(6,260)	
Interest paid	(75)		(220)	
Repayment of long-term borrowings	(290)		(381)	
Repayment of short-term borrowings	(2,903)		(6,088)	
Proceeds from short-term borrowings	2,742		4,629	
Net cash used in financing activities		**(6,719)**		**(8,062)**
Effect of exchange differences on translation of cash and cash equivalents		46		45
Net increase/(decrease) in cash and cash equivalents		**9,799**		**(3,169)**
Cash and cash equivalents at the beginning of the year		2,528		5,697
Less: Cash transferred during disposal of business		(175)		-
Cash and cash equivalents at the end of the year		12,152		2,528

Notes:

a. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

b. Cash and cash equivalents comprise of:

	As at March 31, 2019	As at March 31, 2018
Cash on hand	2	2
Funds in transit	7,356	70
Balances with banks	3,156	4,310
Deposits having original maturity of less than three months	1,948	7
Total	**12,462**	**4,389**
Less: Book Overdrafts	(310)	(1,861)
Total	**12,152**	**2,528**

The accompanying notes form an integral part of the standalone financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: April 30, 2019

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

1. Corporate Information

Zensar Technologies Limited (the “”Company””) is engaged in providing a complete range of IT Services and Solutions. The Company’s industry expertise spans across Manufacturing, Retail, Media, Banking, Insurance, Healthcare and Utilities. The Company is a public limited company incorporated and domiciled in India and has its registered office at Pune, Maharashtra, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The financial statements for the year ended March 31, 2019 were approved by board of directors and authorised for issue on April 30, 2019.

2. Summary of significant accounting policies

a. Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

b. Basis of preparation

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) which are measured at fair value;
- defined benefit plans - plan assets measured at fair value;
- share- based payments and
- assets and liabilities arising in a business combination”

(ii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

c. Foreign currency translation

(i) Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the Company’s functional and presentation currency.

(ii) Transactions and balances

- Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss and reported within foreign exchange gains/(losses), except when deferred in other comprehensive income as qualifying cash flow hedges.
- A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity’s net investment in that foreign operation.
- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.
- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or statement of profit and loss are also recognised in Other comprehensive income or profit or loss, respectively).

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(iii) Foreign Operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet

- Income and expense items are translated at the average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

- All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal.

d. Revenue Recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, and sale of software licences.

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2(d) "Summary of Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised only when there is transfer of control of goods or services. At the inception of every contract, transaction price and performance obligations are determined. Transaction price reflect amount of consideration expected to be received in exchange for transferring goods and services plus weighted average estimate of variable consideration i.e. discounts, rebates, price concession, rebates etc. Transaction price is allocated in a manner that depicts exchange for transferring of promised goods and service. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract. If not, the promised product or service are combined and accounted as a single performance obligation. The Company allocates the transaction price to separately identifiable performance obligations based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost plus margin approach in estimating the stand-alone selling price.

(i) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

(ii) Fixed- price contracts:

Revenue from fixed-price contracts, including IT Infrastructure development and integration contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized using the "percentage-of-completion" method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. The Company uses the percentage of completion method using the input (efforts expended) method to measure the progress towards completion in respect of fixed price contracts. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. 'Unbilled revenues' represent earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

(iii) Maintenance contracts:

Revenue from maintenance contracts is recognized ratably over the period of the contract

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

(iv) Sale of licenses:

Revenue from licenses where the customer obtains a "right to use "the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

e. Income Tax

Income tax comprises of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

(i) Current Income Tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred Tax:

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The Company offsets deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred Tax includes MAT credit and it is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 for a specified period. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

f. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As a lessee:

Finance Lease: Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership

Notes to the Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating lease: Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments. Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense

g. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

i. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j. Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortised cost The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(iii) Measurement

Financial assets carried at amortised cost: A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI): A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further ,in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

(v) Derecognition of financial assets

The Company derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, which is generally when shareholders approve the dividend, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

(vii) Investments in subsidiaries:

The Company has accounted for its investment in subsidiaries at cost.

k. Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification, as described below: Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as fair value through profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iv) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

l. Derivatives and hedging activities

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank. Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit or loss as cost. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Subsequent to initial recognition derivative financial instruments are measured as described below:

Cash flow hedges:

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit or loss and reported within foreign exchange gains/(losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of profit and loss.

m. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

n. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Freehold land is carried at historical cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major

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(All amounts in INR Lakhs, unless otherwise stated)

components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

An item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

The cost of property, plant and equipment not available for use before year end date are disclosed under capital work- in-progress.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Depreciation

The Company depreciates property, plant and equipment on a straight-line basis as per the useful lives prescribed under Schedule II of the Companies Act, 2013 except in respect of the following assets where, useful life of assets have been determined based on technical evaluation done by the management's expert:

Class of asset	Useful life as per Schedule II	Useful life as followed by the Company
Networking Equipments and Servers (classified under Data Processing Equipments)	6 years	4 years
Vehicles	8 years	5 years

Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate and where appropriate.

o. Business combinations, Goodwill and Intangible Assets

(i) Business combinations:

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

(ii) Goodwill:

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

(iii) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognised at cost

Notes to the Financial Statements

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on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and to use or sell of the asset, adequate resources to complete the development are available and the expenditure attributable to the said assets during its development can be measured reliably.

An item of Intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Research cost:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell off the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the period of expected future benefit, i.e. the estimated useful life of the intangible asset. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Amortisation periods and methods: Intangible assets are amortised on straight line basis over their estimated useful lives which are as follows:

Class of asset	Useful life considered
Softwares (Acquired)	1-5 years
Softwares (Internally generated)	3-5 years
Customer Relationship	10 years
Non Compete Agreements	3 years
Brand	5 years
Customer contracts	1 year

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

p. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

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q. Employee benefits

(i) Post-employment and pension plans

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

The Company has the following employee benefit plans:

Provident Fund:

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. Provident fund contributions are made to a trust administered by the Company. The contributions to the trust managed by the Company are accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Superannuation and family pension funds:

Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India. The Company makes annual contributions based on a specified percentage of each eligible employee's salary.

The Company has a defined contribution plan for post-employment benefits for all employees in the form of Family Pension Fund administered by Regional Provident Fund Commissioner. These contributions to superannuation and family pension funds are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to defined contribution plans are charged to Profit or Loss during the period when employee provides service.

Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Scheme. The Gratuity plan provides for a lump sum payment to eligible employees, at retirement, death, incapacitation or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's obligation in respect of the gratuity plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using

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the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iii) Short-term benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Liabilities for wages and salaries including the amount expected to be paid under short-term cash bonus or profitsharing plans, expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Share-based payments:

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

r. Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

s. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

t. Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

u. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(v) Recent accounting pronouncements

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a. Standards issued but not yet effective

On March 30,2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value. Currently, operating lease expenses are charge to the statement of profit or loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is in process of evaluating the impact on the financial statements.

b. "Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The company is still evaluation the impact of this amendment on the standalone financial statements.

c Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is still evaluating the impact of this amendment on the standalone financial statements.

3. Critical estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

The areas involving critical estimates and/or judgements are:

a Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Further, the Company uses significant judgements while determining the transaction

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price allocated to performance obligations using the expected cost plus margin approach. Provisions for estimated losses, if any,on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under note 2(e).

c Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2(n).

d Impairment of Investments

The Company reviews its carrying value of investments in subsidiaries and other entities annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

e Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2(p).

f Business combinations

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired, and liabilities and contingent consideration involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

g Goodwill

Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

h Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer note 14.

i Employee stock options

The Company initially measures the cost of equity-settled transactions with employees using a Black Scholes Options Pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model and the performance of the company, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

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4. Property, plant and equipment

Particulars	Freehold Land	Buildings	Leasehold Improve-ments	Plant and Equipments	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Data Processing Equipments - Finance lease Refer Note (ii) below	Vehicles	Total
Gross carrying amount										
As at April 1, 2017	0	4,045	457	917	1,294	610	3,851	294	242	11,710
Additions	-	5	443	21	104	74	1,268	946	20	2,882
Additions on Business Combination (Refer note 35)	-	-	66	28	50	28	150	-	-	322
Disposals	(0)	(2)	(0.31)	(13)	(27)	(11)	(4)	(101)	(8)	(166)
Gross carrying amount as at March 31, 2018	**-**	**4,048**	**966**	**953**	**1,421**	**701**	**5,265**	**1,139**	**254**	**14,747**
Accumulated Depreciation										
As at April 1, 2017	-	359	278	339	375	232	1,830	254	105	3,773
Additions on Business Combination (Refer note 35)	-	-	42	13	17	13	107	-	-	192
Depreciation for the year	-	183	246	184	202	134	1,265	256	43	2,513
Disposals	-	(0)	(0)	(11)	(15)	(9)	(2)	(101)	(8)	(146)
Exchange translation differences	-	-	-	0	2	8	6	-	-	16
Accumulated depreciation as at March 31, 2018	**-**	**542**	**566**	**525**	**581**	**378**	**3,206**	**409**	**140**	**6,347**
Net carrying amount as at March 31, 2018	**-**	**3,506**	**400**	**428**	**840**	**323**	**2,059**	**730**	**114**	**8,400**

Particulars	Freehold Land	Buildings	Leasehold Improve-ments	Plant and Equipments	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Data Processing Equipments - Finance lease Refer Note (ii) below	Vehicles	Total
Gross carrying amount										
As at April 1, 2018	-	4,048	966	953	1,421	701	5,265	1,139	254	14,747
Additions	-	-	548	108	166	178	1,344	-	-	2,344
Disposals	-	-	(66)	(23)	(59)	(24)	(90)	(62)	(19)	(343)
Gross carrying amount as at March 31, 2019	**-**	**4,048**	**1,448**	**1,038**	**1,528**	**855**	**6,519**	**1,077**	**235**	**16,748**
Accumulated Depreciation										
As at April 1, 2018	-	542	566	525	581	378	3,206	409	140	6,347
Depreciation for the year	-	191	290	179	178	153	1,335	241	32	2,599
Disposals	-	-	(66)	(15)	(35)	(21)	(88)	(62)	(9)	(296)
Exchange translation differences	-	-	-	(1)	(11)	(11)	(5)	-	-	(28)
Accumulated depreciation as at March 31, 2019	**-**	**733**	**790**	**688**	**713**	**499**	**4,448**	**588**	**163**	**8,622**
Net carrying amount as at March 31, 2019	**-**	**3,315**	**658**	**350**	**815**	**356**	**2,071**	**489**	**72**	**8,126**

(i) Contractual obligations:

Refer note 30 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipments.

(ii) Leased assets

-The company's obligations under finance lease (see note 11) are secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 489 lakhs (March 31, 2018: Rs. 730 lakhs)

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5. Other Intangible assets

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
Gross carrying amount							
As at April 1, 2017	**3,155**	**670**	**-**	**-**	**-**	**-**	**3,825**
Additions on Business Combination (Refer note 34)	23	-	3,753	166	79	77	**4,098**
Additions	1,340	118	-	-	-	-	**1,458**
Gross carrying amount as at March 31, 2018	**4,518**	**788**	**3,753**	**166**	**79**	**77**	**9,381**
Accumulated Amortisation							
As at April 1, 2017	2,624	458	-	-	-	-	**3,082**
Additions on Business Combination (Refer note 34)	13	-	-	-	-	-	**13**
Amortisation for the year	1,340	234	375	55	16	77	**2,097**
Accumulated amortisation as at March 31, 2018	**3,977**	**692**	**375**	**55**	**16**	**77**	**5,192**
Net carrying amount as at March 31, 2018	**541**	**96**	**3,378**	**111**	**63**	**-**	**4,189**

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
Gross carrying amount							
As at April 1, 2018	4,518	788	3,753	166	79	77	**9,381**
Additions	1,002	95	-	-	-	-	**1,097**
Disposals	(2,856)	(163)	-	-	-	-	**(3,019)**
Gross carrying amount as at March 31, 2019	**2,664**	**720**	**3,753**	**166**	**79**	**77**	**7,459**
Accumulated Amortisation							
As at April 1, 2018	3,977	692	375	55	16	77	**5,192**
Amortisation for the year	1,207	25	375	55	16	-	**1,679**
Disposals	(2,854)	(163)	-	-	-	-	**(3,017)**
Accumulated amortisation as at March 31, 2019	**2,330**	**555**	**750**	**110**	**32**	**77**	**3,855**
Net carrying amount as at March 31, 2019	**334**	**165**	**3,003**	**56**	**47**	**-**	**3,603**

(i) **Research and development expenditure -** Aggregate amount of research and development expenditure recognised as an expense during the year is Rs. 39 lakhs (March 31, 2018 : Rs.68 lakhs).

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6. Financial assets

6 (a) Investments : Non current

	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	**Investments carried at Fair Value through Other Comprehensive Income (FVOCI)**		
	Investment in equity instruments - Quoted		
	100 (March 31, 2018 : 100) Equity Shares of Rs 10 each fully paid up in CFL Capital Financial Services Limited	0	0
	Total	**0**	**0**
	Investment in equity instruments - Unquoted		
	100 (March 31, 2018 : 100) Equity Shares of Rs 9 each fully paid up in Spencer and Company Limited	0	0
	Total	**0**	**0**
	Investments carried at cost **Investment in equity instruments of subsidiary companies - Unquoted**		
	Zensar Technologies Inc. 2,00,000 (March 31, 2018: 2,00,000) Shares having an aggregate cost of US$ 10,00,000 (March 31, 2018: US$ 10,00,000)	290	290
	Zensar Technologies (Singapore) Pte Limited## 3,00,000 (March 31, 2018: 3,00,000) Equity Shares of SGD 1 each	78	78
	Less : Provision for impairment in the value of investments	(78)	
	Zensar Technologies (UK) Limited 50,000 (March 31, 2018: 50,000) Equity Shares of GBP 1 each	39	39
	Zensar Advanced Technologies Limited# NIL (March 31, 2018: 20) Equity Shares of JPY 50,000 each	-	186
	Less : Provision for impairment in the value of investments	-	(186)
	Zensar Technologies (Shanghai) Company Limited 100% fully paid up equity shares, cost of US$ 10,00,000 (March 31, 2018: US$ 10,00,000)	498	498
	Less : Provision for impairment in the value of investments	(498)	(498)
	Zensar (Africa) Holdings Pty Limited 100 (March 31, 2018: 100) Shares of an aggregate cost of ZAR 10,00,000	61	61
	Zensar Information Technologies Limited Nil (March 31, 2018: 6,00,000) Equity Shares of Rs.10 each fully paid up (Refer Note 27)	-	60
	Zensar Software Technologies Limited Nil (March 31, 2018: 8,00,000) Equity Shares of Rs.10 each fully paid up (Refer Note 27)	-	80
	Cynosure Interface Services Private Limited 100,000 (March 31, 2018: Nil) Equity Shares of Rs.10 each fully paid up (Refer Note 27)	1,270	-
	Total	**1,660**	**608**

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Particulars	As at 31 March, 2019	As at 31 March, 2018
(ii) Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)		
- Mutual Funds	4,658	11,277
- Non Convertible Debentures	-	791
Total	**4,658**	**12,068**
Total non current investments	6,318	12,676
Aggregate amount of quoted investments & market value thereof	-	-
Aggregate amount of unquoted investments	6,894	13,360
Aggregate amount of impairment in the value of investments	576	684
# During the current year company has received approval from RBI for write off investment in Zensar Advanced Technologies Limited		
## In current year company has provided provision against investment in Zensar Technologies (Singapore) Pte Limited		

6(b) Investments : Current

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)		
- Mutual Funds	4,536	13,023
Total	**4,536**	**13,023**
Total Current Investments	4,536	13,023
Aggregate amount of quoted investments & market value thereof	-	-
Aggregate amount of unquoted investments	4,536	13,023
Aggregate amount of impairment in the value of investments	-	-

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6 (c) Trade receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured		
- Considered good	87,382	71,041
- Credit impaired	5,895	4,922
Less: Allowance for credit loss	(5,895)	(4,922)
Total *	**87,382**	**71,041**

* Trade receivables include receivables from related parties (Refer note 28)

Notes :

(i) No amounts are receivable from directors or other officers of the company either severally or jointly with any other person.

(ii) Amounts receivable from firms or private companies in which any director is a partner, a director or a member - Rs. 32 lakhs (March 31, 2018 : Rs.555 lakhs) (Refer note 28)

6 (d) Loans : Non current

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered doubtful		
Other Loans		
Loans to related parties [Refer note 28]	78	1,159
Less: Allowance for credit loss	(78)	(1,159)
Total	**-**	**-**

6 (e) Cash and cash equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash on hand	2	2
Funds in transit	7,356	70
Balances with banks :		
- In current accounts	3,156	4,310
- Deposits having original maturity of less than three months	1,948	7
Total	**12,462**	**4,389**

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(All amounts in INR Lakhs, unless otherwise stated)

6 (f) Other balances with banks

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balances with banks :		
- Deposits having original maturity of more than three months	354	4
Earmarked Balances with Banks :		
- Unclaimed Dividend	232	220
Total	**586**	**224**

6 (g) Other financial assets : Non current

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits	1,597	1,549
Interest receivable		
Considered doubtful	20	232
Less: Allowance for credit loss	(20)	(232)
	-	-
Amount deposited under protest	1,382	569
Total	**2,979**	**2,118**

6 (h) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unbilled revenues (Refer note 28)		
Considered good	20,260	18,069
Considered doubtful	44	170
	20,304	**18,239**
Less: Allowance for credit loss	(44)	(170)
	20,260	**18,069**
Foreign currency derivative assets	2,885	167
Security deposits	-	41
Interest accrued on bank deposits	26	1
Sales Consideration Receivable (refer note 37 and 38)	1,247	-
Contractually reimbursable expenses (Refer Note 28)		
Considered good	3,604	2,161
Considered doubtful	146	150
	3,750	**2,311**
Less: Allowance for credit loss	(146)	(150)
	3,604	**2,161**
Total	**28,022**	**20,439**

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as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

7. Deferred Tax Asset (net)

The components of deferred tax assets and liabilities are as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
The major components of the deferred tax asset created on :		
Property, plant and equipment and Intangible assets	673	514
Allowance for credit loss - trade receivables	1,978	1,683
Employee Benefits	957	991
Tax Losses	-	118
Fair value changes on cash flow hedges	-	22
Others	73	42
	3,681	**3,370**
The major components of the deferred tax liability created on :		
Gain on financial assets mandatorily measured at FVTPL - mutual fund units	82	366
Fair value changes on cash flow hedges	207	-
	289	**366**
Net deferred tax asset / (liability)	**3,392**	**3,004**

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(i) Movement in deferred tax assets

Particulars	Property, plant and equipment and Intangible assets	Allowance for doubtful debts - trade receivables	Employee Benefits	Tax Losses	Changes in fair value on cash flow hedges	Others	Total
As at April 1, 2017	**442**	**850**	**1,009**	**121**	**-**	**38**	**2,460**
(Charged)/credited:							
- to statement of profit and loss	72	833	(18)	(3)	-	4	888
- to other comprehensive income	-	-	-	-	22	-	22
As at March 31, 2018	**514**	**1,683**	**991**	**118**	**22**	**42**	**3,370**
(Charged)/credited:							
- to statement of profit and loss	159	295	(34)	(118)	-	31	333
- to other comprehensive income	-	-	-	-	(22)	-	(22)
As at March 31, 2019	**673**	**1,978**	**957**	**0**	**0**	**73**	**3,681**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(ii) Movement in deferred tax liabilities

Particulars	Gain on financial assets mandatorily measured at FVTPL - mutual fund units	Changes in fair value on cash flow hedges	Amortizable goodwill	Total
As at April 1, 2017	**290**	**534**	**142**	**966**
Charged/(credited):				
- to statement of profit and loss	76	-	(142)	(66)
- to other comprehensive income	-	(534)	-	(534)
As at March 31, 2018	**366**	**-**	**-**	**366**
Charged/(credited):				
- to statement of profit and loss	(284)	-	-	(284)
- to other comprehensive income	-	207	-	207
As at March 31, 2019	**82**	**207**	**-**	**289**

8 Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid expenses	680	1,147
Capital advances	316	24
Total	**996**	**1,171**

9 Other current assets

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unbilled Revenue	97	-
Advances other than capital advances:		
- advances to employees	307	387
- advances to suppliers	247	469
Others:		
- Prepaid expenses	1,604	1,862
- Balance with government authorities	2,761	1,233
- Others	-	2
Total	**5,016**	**3,953**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

10 (a) Equity share capital

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Authorised:		
23,75,00,000 equity shares of Rs. 2 each*	4,750	4,750
(4,75,00,000 shares of Rs. 10 each at March 31, 2018)		
2,50,000 preference shares of Rs. 100 each	250	250
(2,50,000 shares of Rs. 100 each at March 31, 2018)		
Total	**5,000**	**5,000**
Issued, subscribed and Paid up :		
22,51,84,920 equity shares of Rs. 2 each	4,504	4,499
(4,49,90,088 shares of Rs. 10 each at March 31, 2018)		
Total	**4,504**	**4,499**

(i) Reconciliation of the shares outstanding as at the beginning and at the end of the year:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Nos	Rs. In lakhs	Nos	Rs. In lakhs
At the beginning of the year	4,49,90,088	4,499	4,48,73,638	4,487
Add: Shares issued on exercise of employee stock options	1,54,376	5	1,16,450	12
Add: Conversion on account of share split*	18,00,40,456	-	-	-
Outstanding at the end of the year	**22,51,84,920**	**4,504**	**4,49,90,088**	**4,499**

* The shareholder of the company approved the subdivision of Authorised and issued equity share having face value of Rs.10/- each into 5 shares of Rs. 2/- each in their meeting held on August 8, 2018.

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders in their general meeting on August 08, 2018 approved the Final dividend for FY 2017-18 of Rs. 7.00 per equity share. The total outflow of equity dividend and dividend tax thereon amounted to Rs. 3,798 lakhs including corporate dividend tax of Rs. 647 lakhs.

The board of directors in their meeting on January 21, 2019 declared an interim dividend of Rs. 1.00 per equity share. The total outflow of equity dividend and dividend tax thereon amounted to Rs. 2,535 lakhs including corporate dividend tax of Rs. 283 lakhs.

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.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(iii) Details of shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at 31 March, 2019		As at31 March, 2018	
	%	Number of shares	%	Number of shares
Swallow Associates LLP	26.89%	6,05,50,940	26.92%	1,21,10,188
Marina Holdco (FPI) Limited	22.87%	5,15,06,470	22.90%	1,03,01,294
Summit Securities Limited	10.96%	2,46,80,535	10.97%	49,36,107
Instant Holdings Limited	8.30%	1,86,89,130	8.31%	37,37,826
Amansa Holdings Private Limited	5.82%	1,30,96,412	4.75%	21,36,385

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding March 31, 2019 - Nil

(v) For details of Employee Stock Option Plans (ESOP), refer note 31

10 (b) Reserves and surplus

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital redemption reserve	442	442
Share based payment reserve	2,849	1,348
Retained earnings	28,082	21,824
Securities premium	2,571	2,378
General reserve	1,06,941	94,853
Special economic zone re-investment reserve	1,500	180
Total reserves and surplus	**1,42,385**	**1,21,025**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

10 (c) Movement of Reserves and surplus

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital redemption reserve		
Balance at the beginning and end of the year	442	442
Share based payment reserve		
Balance at the beginning of the year	1,348	1,833
Add: Recognition of Employee Share based payment expense (net)	1,647	369
Less: Transferred to General reserve on cancellation of stock options	88	222
Less: Transferred to Securities premium on exercise of stock options	58	95
Less: Transferred to group company	-	537
Balance as at the end of the year	**2,849**	**1,348**
Retained earnings		
Balance as at the beginning of the year	21,824	18,403
Add: Profit for the year	25,800	19,258
Add / (less) items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of defined employee benefit plans (net of tax)	111	423
Add: Utilisation of Special Economic Zone Re-investment Reserve	180	-
Less: Equity Dividends paid (including Dividend Distribution Tax)	6,333	6,260
Less: Transferred to general reserve	12,000	10,000
Less: Transferred to Special Economic Zone Re-investment Reserve	1,500	-
Balance as at the end of the year	**28,082**	**21,824**
Securities premium		
Balance as at the beginning of the year	2,378	2,037
Add: Transferred from share based payment reserve on exercise of stock options	58	95
Add: Received on exercise of stock options	135	246
Balance as at the end of the year	**2,571**	**2,378**
General reserve		
Balance as at the beginning of the year	94,853	84,631
Add: Transferred from share based payment reserve on cancellations of stock options	88	222
Add : Transferred from Retained earnings	12,000	10,000
Balance as at the end of the year	**1,06,941**	**94,853**
Special economic zone re-investment reserve		
Balance as at the beginning of the year	180	180
Add: Transferred from Retained earnings	1,500	-
Less: Utilised during the year	180	-
Balance as at the end of the year	**1,500**	**180**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

10 (d) Other components of equity

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash flow hedging reserve		
Balance at the beginning of the year	(27)	1,009
Effective portion of gain / (loss) on Cash Flow Hedge (net).	657	(1,593)
Tax impact	(230)	557
Balance as at the end of the year	**400**	**(27)**
Foreign currency translation reserve		
Balance at the beginning of the year	(206)	(206)
Balance as at the end of the year	**(206)**	**(206)**
Total other components of equity	**194**	**(233)**

10 (e) Nature and purpose of each reserve within equity

(i) Capital redemption reserve:

This reserve had been created out of general reserve in earlier years, being the nominal value of shares bought back. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share based payment reserve:

This reserve is used to record the fair value of equity-settled share based payment transactions. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options.

(iii) Retained earnings:

Retained earnings represents Company's undistributed earnings after taxes.

(iv) Securities premium:

Securities premium is used to record premium on issue of Equity shares. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(v) Special economic zone re-investment reserve:

This Reserve had been created out of profit of eligible SEZ units in accordance with the provision of Section 10 AA(1)(ii) of the Income Tax Act,1961. The reserve can only be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the section 10AA(2) of the Income Tax Act, 1961.

(vi) Cash flow hedging reserve:

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sales. For hedging foreign currency risk the Company uses forward contracts which are designated as cash flow hedges. To the extent this hedge is effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the hedging reserve are reclassified to profit or loss when the hedged item affects profit or loss.

(vii) Foreign currency translation reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

11 (a) Borrowings

Particulars	Maturity period	Terms of repayment	As at 31 March, 2019	As at 31 March, 2018
Non-current borrowings				
Long term maturities of finance lease obligations	Jun' 2019 to Jan' 2021	Quarterly instalments	645	935
- Obligations under finance leases (Secured)				
Total non current borrowings			**645**	**935**
Less: Current maturities of finance lease obligations (included in note 11(b))			326	340
Non-current borrowings			**319**	**595**

Non Current borrowings

- Secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 489 lakhs (March 31, 2018: Rs. 730 Lakhs)

11 (b) Other financial liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-current		
Contingent consideration payable (Refer Note 35)	-	4,097
Total - Other financial liabilities (Non-current)	**-**	**4,097**
Current		
Contingent consideration payable (Refer Note 35)	5,051	3,100
Current maturities of finance lease obligations	326	340
Foreign currency derivative liabilities	23	674
Accrued salary and benefits	6,011	4,472
Unclaimed dividend	232	220
Capital creditors	42	21
Book overdrafts	310	1,861
Others	533	48
Total - Other financial liabilities (Current)	**12,528**	**10,735**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

12 Trade payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current		
Trade payables (refer note below)	8,672	9,020
Total	**8,672**	**9,020**

(i) The Company has compiled this information relating to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 based on information in its posession. During the year there is no interest charged on account of delay of payment and no interest is outstanding as on year end.

(ii) Trade payables include payable to related parties (Refer note 28)

13 Provision: Non-current

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for Contingencies	209	88
Total	**209**	**88**

(i) Information about individual provisions

It pertains to Lease rentals related litigations. The timing and the amount of cash flows that will arise from this matter will be determined by the Appellate Authorities only on settlement of this case.

(ii) Movements in provisions

Movements in each class of provisions during the financial year, are set out below

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening Balance	**88**	**79**
Additional provisions accrued	121	12
Unused amounts reversed	-	-
Amounts used during the year	-	(3)
Closing Balance	**209**	**88**

14 Employee benefit obligations

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non current		
Provision for compensated absences	1,450	1,496
Total	**1,450**	**1,496**
Current		
Provision for compensated absences	1,090	1,061
Provision for gratuity (Refer Note (i) below)	320	432
Total	**1,410**	**1,493**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(i) Defined benefit plans:

a **Gratuity -** The company provides for gratuity for employees in accordance with the gratuity scheme of the Company. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net liability amount
As at April 1, 2017	**7,714**	**(6,405)**	**1,309**
Current service cost	1,457		1,457
Interest expense / (income)	561	(466)	95
Total amount recognised in statement of profit and loss	**2,018**	**(466)**	**1,552**
Remeasurements			
Return on plan assets	-	(95)	(95)
(Gain) / loss from change in demographic assumptions	335		335
(Gain) / loss from change in financial assumptions	(471)	-	(471)
Experience (gains) / losses	(416)	-	(416)
Change in asset ceiling		-	
Total amount recognised in Other Comprehensive Income	**(552)**	**(95)**	**(647)**
Liability Transferred In/ Acquisitions	168	-	168
Contributions by the company	-	(1,370)	(1,370)
Benefit payments	(580)	-	(580)
As at March 31, 2018	**8,768**	**(8,336)**	**432**
Current service cost	1,671	(644)	1,027
Interest expense / (income)	677	-	677
Total amount recognised in profit or loss	**2,348**	**(644)**	**1,704**
Remeasurements			
Return on plan assets	-	8	8
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	(33)	-	(33)
Experience (gains) / losses	(134)	-	(134)
Total amount recognised in Other Comprehensive Income	**(167)**	**8**	**(159)**
Liability Transferred Out/Disinvestments	(62)	-	(62)
Contributions by the company	-	(660)	(660)
Benefit payments	(935)	-	(935)
As at March 31, 2019	**9,952**	**(9,632)**	**320**

The net liability disclosed above relates to funded plans. The Company intends to contribute in line with the recommendations of the fund administrator and the actuary.

b The net liability disclosed above relates to funded and unfunded plans are as follows:

Plan type	As at 31 March, 2019	As at 31 March, 2018
Present value of obligation	9,952	8,768
Fair value of plan assets	(9,632)	(8,336)
Total liability	**320**	**432**

Notes to the Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

c As at March 31, 2019 and March 31, 2018, plan assets were fully invested in insurer managed funds.

d Through its defined benefit plans, the company is exposed to number of risks, the most significant of which are detailed below:

Asset Volatility: The Plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform, this yield will create a deficit. The plan asset investments are in fixed income securities with high grades. These are subject to interest rate risk.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within the framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the process used to manage its risks from previous periods.

e The Company expects to contribute Rs 2,209 Lakhs (March 31, 2018 Rs. 2,057 lakhs) to the defined benefit plan during the next annual reporting period.

Weighted average duration of the Projected Benefit Obligation is 13 Years (March 31, 2018 - 12 Years)

f The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as of March 31, 2019.

Estimated benefit payments from the fund for year ending	As at 31 March, 2019	As at 31 March, 2018
March 31, 2019	N.A	325
March 31, 2020	314	275
March 31, 2021	365	363
March 31, 2022	483	448
March 31, 2023	421	417
March 31, 2024	478	N.A
Thereafter	3,768	3,064

g **Provident fund :** The company makes contribution towards provident fund which is administered by the trustees. The contributions is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return. Company has obtained an actuarial valuation of the liability according to which there is no deficit as at the Balance Sheet date. The movement of liability and plan assets is as under:

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ga Present Value of Defined Benefit Obligation

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance as at the beginning of the year	**29,019**	**24,866**
Liability transferred (Refer Note 34)	1,708	574
Interest cost	2,324	2,124
Current service cost	1,711	1,495
Employee contribution	2,915	2,637
Benefit paid	(2,921)	(2,677)
Actuarial (gains)/losses	-	-
Balance as at the end of the year	**34,756**	**29,019**

gb Fair value of Plan Assets (Restricted to the extent of Present Value of Obligation)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance as at the beginning of the year	**29,377**	**25,269**
Expected return on plan assets	2,499	2,124
Contributions by the company	4,626	4,131
Transfer from other company	1,709	574
Benefit paid	(2,921)	(2,677)
Actuarial gains/(losses)	57	(44)
Balance as at the end of the year	**35,347**	**29,377**

gc

Particulars	As at 31 March, 2019	As at 31 March, 2018
Assets and liabilities recognised in the balance sheet	**-**	**-**

gd Expenses recognised in the statement of profit and loss

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Current service cost	1,711	1,495
Interest cost	2,324	2,124
Expected return on plan assets	(2,499)	(2,124)
Total expenses recognised in the statement of profit and loss	1,536	1,495

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ge The plan assets have been primarily invested as follows :

Category of Assets	As at 31 March, 2019	As at 31 March, 2018
Central Government of India Assets	6,119	5,540
State Government of India Assets	10,544	7,923
Special Deposits Scheme	253	-
Private Sector Bonds	16,181	14,266
Equity / Mutual Funds	1,060	664
Cash and Cash Equivalents	71	131
Others	1,118	853
Total	**35,346**	**29,377**

gf The principal assumptions used for the purpose of actuarial valuation are as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
India		
Discount rate *	7.76%	7.73%
Salary escalation rate **	7.00%	7.00%
Rate of employee turnover		
-For services 4 years and below	13.00%	13.00%
-For services 5 years and above	3.00%	3.00%

* Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

** The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

gg Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:

Particulars	As at 31 March, 2019	As at 31 March, 2018
- 1% increase in discount rate	(10.14%)	(10.40%)
- 1% decrease in discount rate	11.87%	12.22%
- 1% increase in salary escalation rate	11.84%	12.19%
- 1% decrease in salary escalation rate	(10.29%)	(10.56%)
- 1% increase in rate of employee turnover	0.49%	0.44%
- 1% decrease in rate of employee turnover	(0.64%)	(0.59%)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

(ii) Defined contribution plans:

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Contribution to Employees' Family Pension Fund	924	875
Contribution to Employees' Superannuation Fund	59	74

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

15 Other Current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Statutory dues	1,036	974
Unearned revenue	741	732
Total	**1,777**	**1,706**

16 (a) Income tax assets and liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Income tax assets (net)	2,422	1,807
Income tax liabilities (net)	1,454	832
Net total	**968**	**975**

16 (b) Movement

The gross movement in the income tax asset / (liability) is as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening Balance	975	1,985
Income tax paid (net of refunds)	8,210	6,634
Current income tax expense (refer note 24 (i))	(8,293)	(7,474)
Adjustment for current tax of prior periods (refer note 24 (i))	124	100
Income tax on other comprehensive income (refer note 24 (iii))	(48)	(224)
Others	(0)	(46)
Net total	**968**	**975**

17 Revenue from operations

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Software development and allied services	135,908	125,817
Sale of licenses for software applications	1,100	2,764
Total	**137,008**	**128,581**

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(All amounts in INR Lakhs, unless otherwise stated)

18 Other income (net)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest Income from financial assets - Carried at amortised cost		
- On deposits with banks	82	70
- Others	235	322
Dividend Income on investments carried at cost		
- From subsidiaries	870	1,124
- Dividend income on investments at FVTPL - Mutual fund units	-	132
Net gain on financial assets mandatorily measured at FVTPL	(1,796)	720
Profit on sale of investments measured at FVTPL - Mutual fund units	2,796	637
Net foreign exchange gain / (loss)	2,269	1,948
Secondment Fees	1,204	940
Profit on sale of fixed assets (net)	(9)	43
Profit on disposal of subsidiaries (refer note 38)	513	-
Profit on transfer of customer contracts (refer note 37)	1,567	-
Provisions no longer required and credit balances written back	372	115
Miscellaneous Income	396	224
Total	**8,499**	**6,275**

19 Employee benefits expense

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries, wages and bonus	72,015	69,219
Contribution to provident and other funds (Refer note 14)	4,492	4,060
Employee share-based payment expense (net of recoveries)	477	82
Staff welfare expenses	1,965	1,564
Total	**78,949**	**74,925**

20 Finance Costs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest on :		
- Loans	11	34
- Finance lease	51	107
- Fair value of contingent consideration	800	994
- Others	13	33
Bank charges	43	46
Total	**918**	**1,214**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

21 Depreciation and amortisation expense

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Depreciation of Property, plant and equipment	2,599	2,513
Amortization of intangible assets	1,679	2,097
Total	**4,278**	**4,610**

22 Other expenses

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Rent (Refer Note 13)	3,967	4,163
Rates and taxes	256	344
Electricity and power	1,105	1,162
Travelling and conveyance	5,320	5,138
Recruitment expenses	562	422
Training expenses	578	539
Repairs and maintenance to :		
-Plant and machinery	353	215
-Data Processing Equipments	1,081	1,117
-Building	1,233	1,106
-Others	118	140
Insurance	319	301
Legal and professional charges	2,546	2,533
Directors' fees and commission	365	302
Payments to auditors (refer note 22 (b) below)	171	80
Communication expenses	952	1,005
General Office expenses	559	565
Advertisement and publicity	489	270
Expenditure towards Corporate social responsibility (See Note 22 (a))	531	498
Allowance for doubtful trade receivables and unbilled revenues		
- Provided during the year	1,246	4,015
- Bad debts written off	492	388
- Less: Reversed during the year	399	1,774
	1,339	**2,629**
Allowance for doubtful loans and advances		
- Provided during the year	256	-
- Loans and advances written off	1,428	-
- Less: Reversed during the year	1,428	-
	256	**-**
Provision for impairment in the value of investments		
- Provided during the year	78	-
- Investments written off	186	-
- Less: Reversed during the year	186	-
	78	**-**
Miscellaneous expenses	691	618
Total	**22,868**	**23,147**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

22 (a) Expenditure towards Corporate social responsibility

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Gross amount required to be spent by the Company during the year	527	504
Total	**527**	**504**

Amount spent during the year on	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a. Construction/ acquisition of any asset		-
b. On purposes other than (a) above	531	498
Total	**531**	**498**

22 (b) Details of payments to auditors [excluding taxes]

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
As auditors :		
- Audit Fee [including quarterly limited reviews]	82	65
In other capacity, in respect of :		
- Certification services	47 #	-
- taxation matters	20	10
Reimbursement of expenses	22	5
Total	**171**	**80**

includes Rs. 25 lakhs for services pertaining to 2017-18

23 Revenue from operations

(a) Revenue for year ended March 31, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Software development and allied services	135,908	125,817
Sale of licenses for software applications	1,100	2,764

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(b) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments. (The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.)

Particulars	Verticals	
	AMS	IMS
Revenue by Geography		
-America	86,424	11,506
-Europe	15,762	1,939
- Africa	18,567	477
- Rest of the world	2,093	240
Revenue by Contract Type		
-Fixed Price Contracts/Fixed Monthly	4,417	915
-Time and Material*	118,429	13,247

*Time and Material/Fixed monthly includes inter-company revenue as per the transfer pricing norms.

(c) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in then contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

During the year ended March 31, 2019 , the company recognized revenue of Rs. 491 lakhs arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019 , Rs. 432 lakhs of unbilled revenue pertaining to fixed price contracts as of April 1, 2018 has been reclassified to Trade Receivable upon billing to customers on billing of milestones

(d) Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognized as of the end of the reporting period and an explanation as to when company expects to recognize these amounts as revenue. Applying the practical expedients as given in INDAS 115, the company has not disclosed the remaining performance obligations related disclosures where the revenue recognized corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time and material basis. Remaining performance obligation are subject to change and are affected by several factors, including terminations , changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2019 other than those meeting the exclusion criteria mentioned above, is INR 93.88 lakhs. Out of this company expects to recognize the balance revenue in next year .

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(e) Impact of applying erstwhile INDAS 115 -Revenue instead of INDAS 18- Revenue from Contract with customers

The impact on account of applying the erstwhile INDAS 115 Revenue standard instead of Ind AS 18 Revenue from contract with customers on the financials results of the company for the period ended March 31, 2018 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of Rs.97 lakhs as at March 31, 2019 has been considered as a Non financial asset.

24 Tax expense

This note provides an analysis of Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions.

(i) Breakup of income tax expense:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Income tax expense		
Current Tax		
Current tax on profits for the year	8,293	7,474
Adjustment for current tax of prior periods	(124)	(100)
Total current tax expense	**8,169**	**7,374**
Deferred tax		
Decrease / (increase) in deferred tax assets	(395)	(888)
(Decrease) / increase in deferred tax liabilities	(223)	(66)
Total deferred tax expense / (benefit)	**(618)**	**(954)**
Income tax expense	**7,551**	**6,420**

- The company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commences the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for further five years subject to certain Special Economic Zone Re-investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

(ii) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in India:

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit before taxes	33,351	25,678
Enacted income tax rate in India	34.94%	34.61%
Computed expected tax expenses	**11,653**	**8,887**
Effect of income exempt from tax	(3,464)	(2,020)
Effect of non deductible expenses	(217)	35
Income taxed at higher/(lower) rates	(297)	(382)
Income tax relating to prior years	(124)	(100)
	7,551	**6,420**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(iii) Tax on the amounts recognised directly in OCI:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Income tax	Deferred tax	Income tax	Deferred tax
Fair value changes on cash flow hedges	-	230	-	(557)
Remeasurements of post employment benefit obligations	48	-	224	-
Total	**48**	**230**	**224**	**(557)**

(iv) Tax losses

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unutilised tax losses on which deferred tax asset has been recognised	0	505
Potential tax benefit @ 23.296%	-	118

(v) Changes in tax rate - The applicable Indian statutory tax rate for the financial year 2018-19 and financial year 2017-18 is 34.94% and 34.61% respectively

25 Fair value measurements

Financial instruments by category:

Particulars	As at 31 March, 2019					As at 31 March, 2018				
	FVTPL	FVOCI	Derivative financial assets	Amor-tised cost	Total	FVTPL	FVOCI	Derivative financial assets	Amor-tised cost	Total
Financial assets										
Investments:										
- equity instruments (*)	-	-	-	-	-	-	-	-	-	-
- mutual funds & Non Convertible Debentures	9,195	-	-	-	9,195	25,091	-	-	-	25,091
Trade receivables	-	-	-	87,382	87,382	-	-	-	71,041	71,041
Loans	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	12,462	12,462	-	-	-	4,389	4,389
Other bank balances	-	-	-	586	586	-	-	-	224	224
Foreign currency derivative assets	-	-	2,885	-	2,885	-	-	167	-	167
Security deposits	-	-	-	1,598	1,598	-	-	-	1,590	1,590
Unbilled revenue	-	-	-	20,260	20,260	-	-	-	18,069	18,069
Others	1,247	-	-	5,011	6,259	-	-	-	2,731	2,731
Total financial assets	**10,442**	**-**	**2,885**	**127,299**	**140,626**	**25,091**	**-**	**167**	**98,044**	**123,302**
Financial liabilities										
Borrowings	-	-	-	645	645	-	-	-	935	935
Trade payables	-	-	-	8,672	8,672	-	-	-	9,020	9,020
Capital creditors	-	-	-	-	-	-	-	-	21	21
Foreign currency derivative liabilities	-		23	-	23	-	-	674	-	674
Contingent consideration	5,051	-	-	-	5,051	7,197	-	-	-	7,197
Other financial liabilities					-	-	-	-	6,600	6,600
Total financial liabilities	**5,051**	**-**	**23**	**9,317**	**14,391**	**7,197**	**-**	**674**	**16,576**	**24,447**

*Excludes investments in subsidiaries accounted as per cost model as prescribed under paragraph 10 of Ind AS 27 "Separate Financial Statements".

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(i) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
Mutual funds and Non Convertible entures	6 (a) , 6 (b)	9,195	-	-	9,195
Contingent consideration	6 (h)	-	-	1,247	1,247
Financial investments at FVOCI					
Equity instruments	6 (a)	-	-	-	-
Derivatives designated as cash flow edges					
Foreign currency derivative assets	6 (h)	-	2,885	-	2,885
Total financial assets		**9,195**	**2,885**	**1,247**	**13,328**
Financial liabilities					
Contingent consideration	11 (b)	-	-	5,051	5,051
Foreign currency derivative liabilities	11 (b)	-	23	-	23
Total financial liability		**-**	**23**	**5,051**	**5,074**

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
Mutual funds	6 (a) , 6 (b)	25,091	-	-	25,091
Financial investments at FVOCI					
Equity instruments	6 (a)	-	-	-	-
Derivatives designated as hedges					
Foreign exchange forward contracts	6 (h)	-	167	-	167
Total financial assets		**25,091**	**167**	**-**	**25,258**
Financial liabilities					
Contingent consideration	11 (b)	-	-	7,197	7,197
Foreign currency derivative liabilities		-	674	-	674
Total financial liability		**-**	**674**	**7,197**	**7,871**

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Level 2: Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(ii) Fair value measurement using significant Unobseravable Inputs (Level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2019 and March 31, 2018

Particulars	Unlisted Equity Securities	Contingent Consideration
As at April 01, 2017	**-**	**-**
Acquisitions / (disposal)	-	6,150
Fair value gain/(losses) recognized in profit and loss	-	994
FCTR gain/(losses) recognized in other comprehensive income	-	-
Foreign Exchange fluctuation	-	53
As at March 31, 2018	**-**	**7,197**
Paid during the year	-	3,179
Fair value gain/(losses) recognized in profit and loss	-	800
FCTR gain/(losses) recognized in other comprehensive income	-	-
Foreign Exchange fluctuation	-	-
As at March 31, 2019	-	-
Foreign Exchange flucutation	-	232
As at March 31, 2019	**-**	**5,051**

(iii) Valuation inputs and relationships to fair value

Particulars	Fair value		Significant unobservable inputs	Probability-weighted range		Sensitivity
	As at March 31,2019	As at March 31,2018		As at March 31,2019	As at March 31,2018	
Contingent consideration	5,051	7,197	Expected cash outflows	5,186	8,069	If expected cash flows were 10% lower, the FV would decrease by Rs. 505.57 lakhs
			Discount rate	16.32%	16.32%	A change in discount rate by 100 bps would increase / decrease the FV by Rs. 7.36 lakhs

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

(iv) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash equivalents
3. Other balances with banks
4. Security deposits
5. Amount deposited under protest
6. Unbilled revenue
7. Contractually reimbursable expenses
8. Interest accrued on deposits
9. Borrowings
10. Trade payables
11. Capital creditors
12. Unpaid dividends
13. Accrued salary and benefits
14. Book overdrafts
15. Other Payables

26 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(a) Market Risk

(i) Foreign currency risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United States, South Africa, United Kingdom and elsewhere, and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected positively/ adversely as the rupee appreciates/ depreciates against these currencies. The Company evaluates exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company follows established risk management policies, to hedge forecasted cash flows denominated in foreign currency. The Company has designated certain derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

aa The Company's exposure to foreign currency risk as of March 31, 2019 expressed in INR lakhs, is as follows:

Particulars	As at March 31, 2019				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	143	-	-	-	143
Trade receivables	4,207	652	5,428	552	10,840
Other assets	14,600	2,953	1,614	455	19,622
Financial liabilities	**-**	**-**	**-**		**-**
Trade payables	390	72	3	11	476
Employee benefit obligations	-	-	-	-	-
Other liabilities	6,413	5	2	98	6,518
Net assets / (liabilities)	**12,147**	**3,528**	**7,037**	**898**	**23,608**

ab The Company's exposure to foreign currency risk as of March 31, 2018 expressed in INR lakhs, is as follows:

Particulars	As at March 31, 2018				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	302	-	2,106	707	3,115
Trade receivables	8,647	1,936	5,899	788	17,270
Other assets	12,574	2,001	2,245	198	17,018
Financial liabilities					
Trade payables	375	52	4,518	1,252	6,197
Employee benefit obligations	0	-	203	56	259
Other liabilities	7,197	-	130	57	7,384
Net assets / (liabilities)	**13,951**	**3,885**	**5,399**	**328**	**23,563**

ad Sensitivity

For the year ended March 31, 2019 and March 31, 2018, every percentage point appreciation/depreciation in the exchange rate, it may affect the Company's incremental operating margins respectively.

- INR/USD by approximately 0.59% and 0.48% ,
- INR/ZAR by approximately 0.11% and 0.09% ,
- INR/GBP by approximately 0.13% and 0.09%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into reporting currency, due to every percentage point appreciation/depreciation in the exchange rates.

ae Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

The following table gives details in respect of outstanding foreign exchange contracts:

Particulars	As at 31, 2019		As at 31, 2018	
	Amount of contracts in lakhs	Fair Value – Gain / (Loss) (INR in lakhs)	Amount of contracts in lakhs	Fair Value Gain / (Loss) (INR in lakhs)
Derivatives designated as cash flow hedges				
Forward contracts				
In USD	261	296	100	109
In GBP	35	149	17	(98)
In ZAR	458	168	345	(60)
Total forwards		**613**		**(49)**

The foreign exchange forward contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one month	126	18
Later than one month and not later than three months	321	(27)
Later than three months and not later than one year	167	(40)

During the year ended March 31, 2019, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sale transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to the statement of profit or loss within 3 months. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of Cash flow hedging reserve:

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**(27)**	**1,009**
Gain/(Loss) recognised in OCI during the year	657	(1,593)
Tax impact on above	(230)	557
Balance at the end of the year	**400**	**(27)**

(b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 87,293.13 lakhs and Rs. 71,041.37 lakhs as of March 31, 2019 and March 31, 2018, respectively and unbilled revenue amounting to Rs. 20,356.64 lakhs and Rs. 18,069 lakhs as of March 31, 2019 and March 31, 2018, respectively. Trade receivables and

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

unbilled revenue are typically unsecured and are derived from revenue earned from customers located in the United States, South Africa, United Kingdom and elsewhere. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of IND AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors and company's historical experience for customers.

ba The following table gives details in respect of percentage of revenues generated from top customer and top five customers, other than related parties:

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from top customer	10.44%	8.01%
Revenue from top five customers	39.47%	31.39%

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was Rs. 5,939 lakhs and Rs.5,092 lakhs, respectively. The increase of allowance for life time expected credit losses on customer balances for the year ended March 31, 2019 was Rs. 1,246 lakhs and Rs. 4,015 lakhs in March 31, 2018.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**5,092**	**2,851**
Allowance for doubtful debts	1,246	4,015
Reversal of Allowance for doubtful debts	(399)	(1,774)
Balance at the end	**5,939**	**5,092**

bc Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2019, cash and cash equivalents are held with major banks and financial institutions.

ca The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

Particulars	As at March 31, 2019				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	319	-	319	-	319
Trade payables	8,672	8,672	-	-	8,672
Other liabilities	12,528	12,528	-	-	12,528

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2018				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	595	-	595	-	595
Trade payables	9,020	9,020	-	-	9,020
Other liabilities	14,832	10,735	4,097	-	14,832

27 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 11(a) & 11(b) and 6(e) & 6(f) offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

28 Related party disclosures

A List of related parties

(i) List of subsidiaries

Particulars	Country of Incorporation	Ownership interest	Relationship
Zensar Technologies (Singapore) Pte. Limited	Singapore	100%	Subsidiary
Zensar (Africa) Holdings Proprietary Limited	South Africa	100%	Subsidiary
Zensar Technologies (Shanghai) Company Limited	China	100%	Subsidiary
Zensar Technologies (UK) Limited	United Kingdom	100%	Subsidiary
Zensar Technologies, Inc.	United States of America	100%	Subsidiary
Zensar Information Technologies Limited (upto 23rd January 2019) (refer note (iv) below and note 37)	India	100%	Subsidiary
Zensar Software Technologies Limited (upto 23rd January 2019) (refer note (iv) below and note 37)	India	100%	Subsidiary
Zensar IT Services Limited (refer note (iv) below)	India	100%	Subsidiary
Zensar Advanced Technologies Limited (refer note (v) below)	Japan	Refer note (v) below	Subsidiary
Cynosure Interface Services Private Limited (refer note (vi) below)	India	100%	Subsidiary
PSI Holding Group, Inc	United States of America	100%	Step-down Subsidiary
Zensar Technologies IM Inc.	United States of America	100%	Step-down Subsidiary
Zensar Technologies IM B.V.	Netherlands	100%	Step-down Subsidiary
Professional Access Limited	United States of America	100%	Step-down Subsidiary
Foolproof (UK) Limited	United Kingdom	100%	Step-down Subsidiary
Knit Limited	United Kingdom	100%	Step-down Subsidiary
Foolproof (SG) Pte Limited	Singapore	100%	Step-down Subsidiary
Keystone Logic Inc. (refer note (i) below)	United States of America	100%	Step-down Subsidiary
Zensar Info Technologies (Singapore) Pte. Limited	Singapore	100%	Step-down Subsidiary
Zensar (South Africa) Proprietary Limited	South Africa	75%	Step-down Subsidiary
Cynosure Inc. (refer note (ii) and 35(a))	United States of America	100%	Step-down Subsidiary
Cynosure APAC Pty Ltd (refer note (ii) below)	Australia	100%	Step-down Subsidiary
Indigo Slate Inc. (refer note (iii) below)	United States of America	100%	Step-down Subsidiary
Keystone Logic Mexico, S. DE R.L. DE C.V.	Mexico	100%	Step-down Subsidiary
Keystone Technologies Mexico, S. DE R.L. DE C.V.	Mexico	100%	Step-down Subsidiary

Notes to the Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

Notes:

(i) The Company, on April 1, 2017 through agreement dated March 30, 2017, completed the acquisition of 100 % stake in Keystone Logic Inc. through its wholly owned subsidiary Zensar Technologies Inc; and business from Keystone Logic Solutions Private Limited through an agreement dated March 30, 2017. Accordingly, Keystone Logic Inc. became 100 % subsidiary of Zensar Technologies Inc wef 1st April 2017.

(ii) 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 and its subsidiary Cynosure APAC Pty Ltd . Accordingly, Cynosure Inc. and Cynosure APAC Pty Ltd became 100 % subsidiary of Zensar Technologies Inc wef April 01, 2018.

(iii) 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 by virtue of which Indigo Slate Inc became 100% subsidiary of Zensar Technologies Inc.

(iv) In FY 2017-18, the company incorporated 3 100% subsidiaries in India namely Zensar Information Technologies Limited, Zensar Software Technologies Limited and Zensar IT Services Limited.

(v) Zensar Advanced Technologies Limited (company's 100% subsidiary in Japan), has been voluntarily liquidated as per the local laws in Japan.

During the year company has received approval from RBI for write off investment in Zensar Advanced Technologies Limited

(vi) 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 of Rs. 1,270 lakhs, subject to certain conditions, payable upfront.

(ii) Other related parties with whom transactions have taken place during the current and previous year

(a) Key Management Personnel

Name	Designation	Tenure
H.V Goenka	Chairman	
S.Balasubramaniam	Chief Financial Officer	Upto January 15, 2017
Nilesh Limaye	Company Secretary	Upto January 31, 2018
Sandeep Kishore	Chief Executive Officer and Managing Director	
Manoj Jaiswal	Chief Financial Officer	From January 16, 2017 to December 4, 2017
Navneet Khandelwal	Chief Financial Officer	W.e.f January 18, 2018
Gaurav Tongia	Company Secretary	W.e.f February 01, 2018
A.T. Vaswani	Non-Executive Director	
Arvind Agrawal	Non-Executive Director	
Venkatesh Kasturirangan	Non-Executive Director	
Sudip Nandy	Non-Executive Director	
Shashank Singh	Non-Executive Director	
Madhabi Puri Buch	Non-Executive Director	Upto April 3, 2017
Ben Druskin	Non-Executive Director	W.e.f November 03, 2017
Ketan Dalal	Non-Executive Director	W.e.f November 03, 2017
Tanuja Randrey	Non-Executive Director	W.e.f January 18, 2018

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Name	Designation	Tenure
Harsh Mariwala	Non-Executive Director	W.e.f January 18, 2018
Anant Goenka	Non-Executive Director	W.e.f January 21, 2019

(b) Entities where Key management personnel either have significant influence or are members of key management personnel of that entity:

RPG Enterprises
Harrisons Malayalam Limited
KEC International Limited
RPG Life Sciences Limited
RPG Art Foundation
CEAT Speciality Tyres Limited
RPG Foundation
CEAT Limited

(c) Entities which have the ability to exercise influence / significant influence over the company:

Swallow Associates LLP
Summit Securities Limited
Marina Holdco (FPI) Ltd.
Instant Holdings Limited
Sofreal Mercantrade Private Limited
Other Promoter / Promoter Group entities (shareholding individually less than 1%)

(d) Post employment benefit plans #:

Zensar PF Trust
Zensar Gratuity trust
Zensar Superannuation Trust

refer note 14 for information on transactions with post-retirement plans mentioned above

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

B Transactions with Related Parties

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2019	March 31, 2018	March 31, 2019		March 31, 2018	
				Receivable	Payable	Receivable	Payable
	Revenue from rendering services						
(i)	Zensar Technologies, Inc.	64,363	54,455	62,908	-	48,182	-
(ii)	Zensar Technologies (UK) Limited	15,921	12,412	12,631	-	8,889	-
(iii)	Professional Access Limited	9,127	13,427	7,202	-	6,691	-
(iv)	Zensar Technologies IM Inc.	2,403	1,914	937	-	1,637	-
(v)	Zensar (South Africa) Proprietary Limited	16,736	19,394	8,542	-	10,335	
(vi)	RPG Life Sciences Limited	25	41	5	-	-	-
(vii)	RPG Enterprises	363	341	15	-	393	-
(viii)	CEAT Limited	-	130	3	-	153	-
(ix)	Harrisons Malayalam Limited	-	-	5	-	5	-
(x)	Zensar Technologies (Singapore) Pte. Limited	34	283	35	-	33	-
(xi)	Zensar Advanced Technologies Limited	-	-	-	-	133	-
(xii)	Zensar Technologies (Shanghai) Company Limited	-	-	*40	-	*40	-
(xiii)	Zensar Technologies IM B.V.	334	205	340	-	275	-
(xiv)	Keystone Logic Inc.	8,932	6,336	3,802	-	1,922	-
(xv)	CEAT Speciality Tyres Limited	-	35	-	-	-	-
(xvi)	Cynosure APAC Pty Ltd	-	-	-	-	-	-
(xvii)	Foolproof (SG) Pte Limited	-	-	-	-	-	-
(xviii)	Foolproof (UK) Limited	946	-	643	-	-	-
(xix)	Cynosure Inc.	2,338		1,437	-	-	-
(xx)	Indigo Slate Inc.	89		89	-	-	-
	Total of Revenue from rendering services	**1,21,611**	**1,08,975**	**98,594**	**-**	**78,688**	**-**
	Subcontracting costs						
(i)	Zensar Technologies (Singapore) Pte. Limited	-	47	-	-	-	33
(ii)	Zensar Technologies (Shanghai) Company Limited	-	-	-	-	-	36
(iii)	Zensar Technologies IM Inc.	50	270	-	321	-	275
(iv)	Professional Access Limited	-	-	-	1	-	1
(v)	Zensar Information Technologies Limited	-	-	-	-	-	-
(vi)	Zensar (South Africa) Proprietary Limited	-	312	-	3,936	-	312
(vii)	Zensar Technologies (UK) Limited		-	-	4	-	-
(viii)	Cynosure Interface Services Private Limited	757	-	-	53	-	-
(ix)	Zensar Technologies IM B.V.	227	-	-	257	-	-
(x)	Foolproof (UK) Limited	58	-	-	58	-	-
	Total of Subcontracting costs	**1,092**	**629**	**-**	**4,630**	**-**	**657**
	Other Income						
(i)	Zensar Technologies, Inc.	516	422	449	-	339	-
(ii)	Zensar Technologies (UK) Limited	732	510	367	-	432	-
(iii)	Professional Access Limited	40	42	-	-	-	-
(iv)	KEC International Limited	-	-	0	-	0	-
(v)	CEAT Limited	8	-	-	-	4	-
	Total of Other Income	**1,296**	**974**	**816**	**-**	**775**	**-**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2019	March 31, 2018	March 31, 2019		March 31, 2018	
				Receivable	Payable	Receivable	Payable
	Dividend income received						
(i)	Zensar (Africa) Holdings Proprietary Limited	870	1,124	-	-	-	-
	Total of Dividend income received	**870**	**1,124**	**-**	**-**	**-**	**-**
	Cost recharges debited to the company						
(i)	RPG Enterprises	1,755	1,451	-	108	-	168
(ii)	CEAT Limited	-	7	-	-	-	-
(iii)	Harrisons Malayalam Limited	-	1	-	-	-	1
(iv)	Zensar (South Africa) Proprietary Limited	1,031	3,763	-	-	-	3,763
	Total of Cost recharges debited to the company	**2,786**	**5,222**	**-**	**108**	**-**	**3,931**
	Reimbursement of expenses incurred						
(i)	Zensar Technologies, Inc.	3,024	1,689	845	-	39	-
(ii)	Zensar Technologies (UK) Limited	2,232	1,815	1,190	-	726	-
(iii)	Zensar Technologies (Singapore) Pte. Limited	12	21	8	-	2	-
(iv)	Zensar Advanced Technologies Limited	-	-		-	18	-
(v)	Zensar Technologies (Shanghai) Company Limited	-	-	***132	-	***132	-
(vi)	Zensar Technologies IM Inc.	153	134	83	-	359	10
(vii)	Zensar (South Africa) Proprietary Limited	1,215	1,451	1,331	-	867	
(viii)	Professional Access Limited	186	186	11	-	147	-
(ix)	Zensar Information Technologies Limited	133	3	-	-	3	-
(x)	Zensar Software Technologies Limited	66	3	-	-	3	-
(xi)	Zensar Technologies IM B.V.	12	5	8	-	5	-
(xii)	Keystone Logic Inc.	30	10	29	-	10	-
(xiii)	Cynosure APAC Pty Ltd	0	-	-	-	-	
(xiv)	Cynosure Inc.	15	-	15	-	-	
(xv)	Cynosure Interface Services Private Limited	323	-	39	-	-	
(xvi)	Foolproof (SG) Pte Limited	-	-	-	-	-	
(xvii)	Indigo Slate Inc.	10	-	10	-	-	
(xviii)	Foolproof (UK) Limited	29	-	31	-	-	
	Total of Reimbursement of expenses incurred	**7,441**	**5,317**	**3,732**	**-**	**2,311**	**10**
	Loans granted/ (repaid)						
(i)	Zensar Advanced Technologies Limited	-	-	-	-	**1,081	-
(ii)	Zensar Technologies (Shanghai) Company Limited	-	-	**78	-	**78	-
	Total of loans granted/ (repaid)	**-**	**-**		**-**	**1,159**	**-**
	Interest income						
(i)	Zensar Advanced Technologies Limited	-	-	-	-	**212	-
(ii)	Zensar Technologies (Shanghai) Company Limited	-	-	**20	-	**20	-
	Total of interest income	**-**	**-**	**20**	**-**	**232**	**-**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2019	March 31, 2018	March 31, 2019		March 31, 2018	
				Receivable	Payable	Receivable	Payable
	Dividend on Equity Shares Paid						
(i)	Swallow Associates LLP	1,453	1,453	-	-	-	-
(ii)	Summit Securities Limited	592	591	-	-	-	-
(iii)	Instant Holdings Limited	449	415	-	-	-	-
(iv)	Sofreal Mercantrade Private Limited	136	135	-	-	-	-
(v)	H.V Goenka	4	4	-	-	-	-
(vi)	S.Balasubramaniam	-	5	-	-	-	-
(vii)	Manoj Jaiswal	-	0	-	-	-	-
(viii)	A.T. Vaswani	1	1	-	-	-	-
(ix)	Harsh Mariwala	-	0	-	-	-	-
(x)	Marina Holdco (FPI) Ltd.	1,236	1,236	-	-	-	-
(xi)	Other Promoter / Promoter Group entities	5	32	-	-	-	-
	Total of Dividend on Equity Shares paid	**3,876**	**3,872**	**-**	**-**	**-**	**-**
	Investment in Subsidiaries						
(i)	Zensar Information Technologies Limited	693	60	-	-	-	-
(ii)	Zensar Software Technologies Limited	560	80	-	-	-	-
	Total of Investment in Subsidiaries	**1,253**	**140**	**-**	**-**	**-**	**-**
	Donations						
(i)	RPG Art Foundation	15	15	-	-	-	-
(ii)	RPG Foundation	419	329	-	-	-	-
	Total of Donations made	**434**	**344**	**-**	**-**	**-**	**-**

Compensation of Key management personnel #

	Particulars	For the Year ended March 31, 2019					
		Sandeep Kishore	S. Balasubramaniam	Manoj Jaiswal	Navneet Khandelwal	Nilesh Limaye	Gaurav Tongia
1	Short Term Benefits	14	-	-	142	-	48
2	Post-Employment Benefits	2	-	-	4	-	2
3	Long-term Employee benefits	-	-	-	-	-	-
4	Perquisite value of Employee Stock options	-	-	-	-	-	-
	Total of Compensation of Key management personnel#	16	-	-	146	-	50
	Outstanding as on March 31, 2019	-	-	-	-	-	-

doesn't include the provision for Gratuity and Leave Encashment as these are provided at the company level.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	For the Year ended March 31, 2018					
		Sandeep Kishore	S. Balasubramaniam	Manoj Jaiswal	Navneet Khandelwal	Nilesh Limaye	Gaurav Tongia
1	Short Term Benefits	## 13	45	117	51	40	15
2	Post-Employment Benefits	2	63	4	1	7	1
3	Long-term Employee benefits	-		1	-	3	-
4	Perquisite value of Employee Stock options	-	-	-	-	-	-
	Total of Compensation of Key management personnel	**15**	**108**	**122**	**52**	**50**	**16**
	Outstanding as on March 31, 2018	**-**	**-**	**-**	**7**	**-**	**3**

Directors Fees & Commission	For the year ended March 31, 2019	For the year ended March 31, 2018
H.V Goenka	201	215
Anant Goenka	2	-
A.T. Vaswani	18	16
Arvind Agrawal	14	12
Venkatesh Kasturirangan	13	11
Madhabi Puri Buch	-	6
Sudip Nandy	16	14
Shashank Singh	16	13
Ben Druskin	5	3
Ketan Dalal	10	4
Tanuja Randrey	7	2
Harsh Mariwala	8	1
Total Directors Fees and Commission	**310**	**297**
Outstanding Payable	**294**	**250**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Stock Options of Key Management Personnel's

Particulars	Year ended March 31, 2019				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	1,25,000	10,00,000	1,25,000	-	10,00,000
Navneet Khandelwal	-	90,000	-	-	90,000

Particulars	Year ended March 31, 2018				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	2,50,000	-	1,25,000	-	1,25,000
Nilesh Limaye	2,000	-	200	-	1,800
Navneet Khandelwal	-	-	-	-	-

The above table includes aggregate number of Stock options granted under the existing ESOP schemes of the company.

The total cancellation of 1,25,000 stock options granted to Sandeep Kishore under 2006 ESOP, 100,000 are on account of voluntary surrender.

* The provision of Rs. 40 Lakhs (previous year: Rs. 40 lakhs) has been made against such receivables from Zensar Technologies (Shanghai) Company Limited

** The provision of Rs. 98 Lakhs (previous year: Rs. 98 Lakhs) has been made against such loan and interest receivable.

*** A provision of Rs 132 lakhs (previous year : 132 lakhs) has been made on Intercompany receivables against reimbursment of expenses.

Sandeep Kishore remuneration excludes Rs. 1,045 lakhs (previous year: Rs. 945 lakhs paid) as remuneration by Zensar Technologies Inc.

29 Contingent liabilities

	Particulars	As at 31 March, 2019	As at 31 March, 2018
(a)	Income Tax:		
	Matters decided in favour of the Company by appellate authorities, where the Income Tax Department is in further appeal.	986	980
	Matters on which the Company is in appeal	1,426	1,271
(b)	Sales Tax / Value Added Tax:		
	Claims against the Company regarding sales tax against which the Company has preferred appeals.	272	233
(c)	Claims against the Company regarding service tax against which the Company has preferred an appeal.	11	11
(d)	Claim in respect of rented premises.	-	247
(e)	Claims against the Company not acknowledged as debts.	1,585	1,324
(f)	Corporate Guarantee	24,896	-
(g)	Bank Guarantees	1,893	2,775

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

30 Commitments

(a) Capital Commitments

Particulars	As at 31 March, 2019	As at 31 March, 2018
Property plant and equipment	218	1,051
Intangible assets	56	108

(b) Non- cancellable operating leases

The Company has taken on lease certain facilities and equipment under operating lease arrangements that expire over the next five years. Rental expense incurred by the Company under operating lease agreements Rs. 1114 (March 31, 2018 Rs. 4,163 lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Future minimum lease payments in respect of non-cancellable operating leases		
Not later than one year	3,116	2,592
Later than one year and not later than five years	7,830	2,862
Later than five years	836	-

(c) Finance lease: Company as lessee

The Company has taken Data processing equipments on finance lease. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are, as follows:

-Minimum lease payments	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	336	354
Later than one year but not later than five years	332	669
Later than five years	-	-
Total	**668**	**1,023**

-Present value of minimum lease payments	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	326	340
Later than one year but not later than five years	319	595
Later than five years		-
Total	**645**	**935**

Notes accompanying the Financial Ftatements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

-Reconciliation of minimum lease payments and present value	As at 31 March, 2019	As at 31 March, 2018
Minimum lease rentals payable	668	1,023
Less: Finance charges to be recognized in subsequent periods	23	88
Present value of minimum lease payments payable	645	935

31 Share based payments

(a) Employee Stock Option Plan, 2002 (2002 ESOP) and Employee Stock Option Plan, 2006 (2006 ESOP)

Under the 2002 ESOP and 2006 ESOP schemes, participants are granted options which vest equally over a period of 5 years from the date of grant. Participation in the plan is at the discretion of the Nomination and Remuneration Committee (NRC) and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

- The exercise price is determined based on the market price, being the closing price of the share on the stock exchange with higher trading volume on the day preceeding the day of the grant of options. The scheme allows the NRC to set the exercise price at a premium or discount not exceeding 20% on the market price.
- The options remain exercisable for 10 years from the date of vesting and lapse if they remain unexercised during this period.
- Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

Stock option activity under the "2002 ESOP" scheme is as follows:

Particulars	2018 - 2019		2017-2018	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	105,710	81.96	43,950	84.28
Granted during the year	-	-	-	-
Cancelled during the year	8,500	15.97	3,852	92.90
Exercised during the year	40,750	26.94	10,550	84.12
Expired during the year	4,125	-	8,406	-
Outstanding at the end of the year	52,335	17.00	21,142	81.96
Adjusted outstanding option#	-	-	105,710	-
Exercisable at the end of the year	52,335	-	21,142	-

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Stock option activity under the "2006 ESOP" scheme is as follows:

Particulars	2018 - 2019		2017-2018	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	1,473,900	448.99	788,678	607.17
Granted during the year	-	-	-	-
Cancelled during the year	190,470	128.00	375,452	712.79
Exercised during the year	193,730	99.00	105,900	234.83
Expired during the year	-	-	12,546	-
Outstanding at the end of the year	1,089,700	85.00	294,780	448.99
Adjusted outstanding option#	-	-	1,473,900	-
Vested and Exercisable at the end of the year	918,700	-	200,380	-

(b) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Vesting would happen on or after 1 (one) year but not later than 5 (five) years from the date of grant of such PAUs or any other period as may be determined by the Nomination and Remuneration Committee (the Committee) and is subject to achievement of performance targets, set out in the Grant letter and/or the Scheme/prescribed by the Committee. The exercise price is Rs. 2 per unit and all vested units need to be exercised at any time within the period determined by the Committee from time to time, subject to a maximum period of two and half months from the end of calendar year in which Vesting happens for the respective PAUs.

Stock option activity under the "EPAU 2016" scheme is as follows:

Particulars	2018 - 2019		2017-2018	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	1,527,525	2	253,818	-
Granted during the year	3,055,805	2	70,000	10
Cancelled during the year	1,537,525	2	18,313	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,045,805	2	305,505	10
Adjusted outstanding option#	-	-	1,527,525	2
Vested and Exercisable at the end of the year	-	-	-	-

Notes to the Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

(c) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Share based payment scheme	Grant year	Range of exercise prices	Expiry year	Share options as at 31 March, 2019	Share options as at 31 March, 2018
2006 scheme	FY 2006-2009	50 - 150	FY 2022-2024	2,000	1,200
	FY 2010-2013	50 - 275	FY 2025-2028	379,120	88,572
	FY 2014-2017	250 - 1100	FY 2029-2032	708,580	205,008
Weighted average remaining contractual life of options outstanding at the end of the year				**7.74 years**	**8.58 years**
2002 scheme	FY 2002-2005	30 - 80	FY 2018-2020	-	2,500
	FY 2006-2009	60 - 130	FY 2021-2024	52,335	18,642
Weighted average remaining contractual life of options outstanding at the end of the year				**1.77 years**	**1.90 years**
EPAU, 2016	FY 2016-2017	5-10	FY 2020-2023	15,000	235,505
	FY 2017-2018	5-10	FY 2021-2023	3,030,805	70,000
Weighted average remaining contractual life of options outstanding at the end of the year				**2.95 years**	**3.45 years**

(d) Fair value of options granted

The fair value of the options at the grant date is determined using Black Scholes Model/Binomial Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option. The following tables illustrate the model inputs for options granted during the year ended March 31, 2019 and the resulting fair value of the options at the various grant dates:

(i) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Particulars	Grant date							
	20-07-17		24-11-2017		17-01-2018		19-07-2018	23-10-2018
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 1
Expected Life (years) *	2.2	4.2	3.16	5.16	3.58	5.58	3.31	3.04
Volatility (%) **	36.8	36.33	34.03	34.07	35.16	33.51	34.06	32.96
Riskfree rate (%)	6.2	6.46	6.61	6.89	7.25	7.43	7.72	7.65
Exercise price (Rs.)	10	10	10	10	10	10	10	2
Dividend yield (%)	1.5	1.5	1.43	1.43	1.43	1.43	0.57	0.53
Fair value per vest	762.94	741.23	835.77	813.09	849.14	826.13	1200	260.16
Vest %							100	100
Option fair value	749.91		822.16		835.34		1200	260.16

* The scheme allows for a maximum and minimum vesting of 70 % and 40 % on the first vesting date - 36 months after the date of grant and a maximum and minimum cumulative vesting of 220 % and 100 % at the final vesting date- 60 months from the date of grant depending upon the achievement of specified financial parameters. The expected life considered for valuation is based on management's estimate of the timing and quantum of achievement of the financial parameters between the two specified vesting dates.

** The expected price volatility is based on the historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Adjusted due to split of share in the ratio of 5:1

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

32 Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax (Rs. in lakhs)	25,800	19,258
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	225,061,245	224,653,475
Basic EPS (Rs.)	11.46	8.57
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	225,061,245	224,653,475
Effect of dilutive issue of stock options (In no's)	3,784,359	2,355,538
Weighted average number of equity shares outstanding for diluted EPS (In no's)	228,845,604	227,009,013
Diluted EPS (Rs.)	**11.27**	**8.48**

33 Impairment

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a Cash Generated Unit (CGU) or group of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

Goodwill movement:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As on March 31, 2018	**8,402**	**8,402**
Add: Addition on acquisition (Refer Note 35)	-	-
As on March 31, 2019	**8,402**	**8,402**

Goodwill is measured by the management at operating segment level in case of IMS. Goodwill with respect to the AMS operating segment is further allocated to identified CGU.

As at March 31, 2019 and March 31, 2018 goodwill has been allocated to the following operating segment:

Particulars	Aa at March 31, 2019	AS at March 31, 2018
Infrastructure management services (IMS)	-	-
Application management services (AMS)	8,402	8,402
Total	**8,402**	**8,402**

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

The recoverable amount was computed based on value-in-use being higher than fair value less cost to sell. The carrying amount was computed by allocating the net assets to operating segments for the purpose of impairment testing. Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions. The average range of key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Terminal growth rate		
- IMS	-	-
- AMS*	0-2	0-2
After tax discount rate		
- IMS	-	-
- AMS	10-18	10-17

For AMS, the Company has considered terminal growth rate as NIL in FY 2016-17, on prudence, only for the purpose of impairment testing calculations.

Based on the above, no impairment was identified as of March 31, 2019 and March 31, 2018 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU or the IMS segment would fall below their respective carrying amounts.

34 Segment reporting

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

35 Business Combination

(a) Acquisition of Cynosure Group

The Company entered into a Share Purchase Agreement dated March 21, 2018 to acquire 100% equity in Cynosure Interface Services Private Limited, an Indian IT company for a purchase consideration not exceeding Rs. 1,300 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.

(b) 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 agreement the company has paid the initial consideration of Rs 4,987 Lakhs and accrued the contingent consideration payable over the next 3 year till FY 2019-20 as per mutually agreed milestones and conditions of an amount upto Rs 8,000 Lakhs (USD 12.39 Millions). During the year the company has made a payment of Rs 3,179 Lakhs ($ 4.88 Million) on achievement of milestone. Balance consideration of Rs 5,100 is yet to be paid depending upon achievement of milestone.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

36 Disclosure pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulation, 2015.

Particulars	Amount outstanding as at March 31, 2019	Maximum amount outstanding during the year
To subsidiaries	78	78
	[1,159]	[1,159]
To associates	-	-
	[-]	[-]
To firms/companies in which directors are interested (other than subsidiaries/associates mentioned above)	-	-
	[-]	[-]
Where there is		
No Repayment schedule	-	-
	[-]	[-]
Repayment beyond seven years	-	-
	[-]	[-]
No Interest	-	-
	[-]	[-]
Interest rates below as specified under section 186 of the Act	-	-
	[-]	[-]

Zensar Advanced Technologies Limited (company's 100% subsidiary in Japan), has been voluntarily liquidated as per the local laws in Japan. During the year company has received approval from RBI for write off of Investment in Zensar Advanced Technologies Limited

Zensar Technologies (Shanghai) Company Limited is in process of applying for voluntary liquidation.

Particulars of amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2019

Particulars	Relationship	Balance as at March 31, 2019	Maximum amount outstanding during the year
Zensar Advanced Technologies Limited	Subsidiary	-	-
		[1,081]	[1,081]
Zensar Technologies (Shanghai) Company Limited	Subsidiary	78	78
		[78]	[78]

Figures in brackets "[]" are for the year ended March 31, 2018

There are no loans and advances in the nature of loans as at March 31, 2019 where there is no repayment schedule / repayment beyond seven years.

Notes to the Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Particulars of loans given/investments made/guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Particulars	Amount of loan outstanding as at March 31, 2019	Period	Rate of Interest	Purpose for which the loan/security / guarantee is utilized
Loans				
Zensar Advanced Technologies Limited	-	3 Years	5%	Working Capital
	[1,081]			
Zensar Technologies (Shanghai) Company Limited	78	3 Years	5%	Working Capital
	[78]			

Figures in "[ ]" are for year ended March 31, 2018.

The Company has given corporate guarantee in favour of bank in respect of loan availed by Zensar Technologies Inc. Refer note 29

37 The Company, 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. 238 lakhs and Rs. 314 lakhs respectively, subject to realisation of trade receivables over a period of 1 year.

The above mentioned sale has been consummated in January 2019.

38 The Company, 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 1.2 million) receivable upfront and deferred consideration of an amount upto Rs. 930 lakhs (USD 1.3 million) subject to novation of customer contracts over a period of 6 months.

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

FINANCIAL STATEMENTS
CONSOLIDATED

Independent Auditors' Report

TO THE MEMBERS OF ZENSAR TECHNOLOGIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Zensar Technologies Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditors' Response
1	**Impairment of goodwill** Goodwill of Rs 60,310 lakhs as at March 31, 2019 is allocated to the various cash generating units (CGU) as set out in note 31 to the consolidated financial statements. Atleast once a year, management ensures that the net carrying amount of goodwill is not greater than the recoverable amount. Any adverse change in the business activities to which goodwill has been allocated, due to internal or external factors such as the financial and economic environment in markets where group operates, may have a significant adverse effect on the recoverable amount of goodwill and require the recognition of impairment. In such a case, it is necessary to reassess the relevance of the assumptions used to determine the recoverable amounts and the reasonableness and consistency of the criteria used in the calculation. The impairment testing methods and details of the assumptions made are described in note 31 to the consolidated financial statements. The recoverable amount is determined based on value in use, which is calculated based on the present value of the estimated future cash flows expected to arise from respective cash generating unit. We have included the impairment assessment of goodwill as a key audit matter given the significance of the amounts involved and level of judgement required in order to determine whether goodwill is impaired.	**Principal audit procedures performed:** • We evaluated the design of internal controls and their operating effectiveness, relating to testing of impairment of goodwill. • We gained an understanding of and assessed the impairment testing process implemented by management; evaluated the appropriateness of the model used to calculate value in use and the method used to identify cash generating units (CGU); • We evaluated the reasonableness of management's assumptions around investment market conditions by comparing to industry information; historical information and rationale for changes in assumptions; if any.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditors' Response

2	**Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"**
	
	The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
	
	Refer note 2(c) and note 18(a) to the Consolidated Financial Statements.
		Principal audit procedures performed:
		
		We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard.
		
		Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
		
		• We evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
		
		• We selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.
		
		• We selected a sample of continuing and new contracts and performed the following procedures:
		
		  • Tested the documentation that demonstrates the distinct performance obligations
		
		  • Compared these performance obligations with that identified and recorded by the Group.
		
		  • Considered the terms of the contracts to determine the transaction price including any variable consideration and its basis to test the transaction price used to compute revenue to be recognized
		
		  • Assessed whether the management has appropriately identified the amounts to be recognised over a period of time or at a point in time.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditors' Response
3	**Appropriateness of recognition of revenue and onerous obligations in respect of fixed price contracts involves critical estimates** The group's revenue from operations includes a significant portion of project based revenues from fixed price contracts. These projects are generally IT infrastructure development and integration, system implementation and maintenance and are often completed across a number of years. Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining contract performance obligations. Refer note 3(a) to the Consolidated Financial Statements. We classified the above as a key audit matter due to the uncertainty involved in project revenue estimates as a result of the complex and long term nature of the projects.	**Principal audit procedures performed:** • We evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • We selected a sample of contracts and tested the operating effectiveness of the internal controls for the fixed price projects through inspection of evidence of performance of these controls. • We assessed revenue recognised using the percentage of completion method by performing the following procedures for selected samples: o Checked mathematical accuracy of percentage of completion calculations. o Agreed actual manpower efforts to approved timesheets and payroll records. o Tested the reasonableness of forecast costs to complete by comparing them with actual costs incurred to date and budgets. o Agreed accrued costs to date to supporting calculations. Our conclusions were consistent with the accounting policy stated in note 2(c)(ii).

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditors' Response
4	**Accounting of business combinations** During the year, the Group acquired controlling interest in Cynosure Group and Indigo Slate Inc as set out in note 36 of the consolidated financial statements. Accounting for the acquisition has involved judgment in order to: • determine the date on which control was transferred to the Group; • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities and goodwill; These are material acquisitions for the Group and given the level of estimation and judgement required, we considered it to be a key audit matter. The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the customer relationships, customer contracts, brand and non-compete agreement. This includes complex valuation considerations and requires the use of specialists. Refer note 3(e) to the Consolidated Financial Statements.	**Principal audit procedures performed:** • We examined the terms and conditions of the share purchase agreements in order to challenge the Group's assessment of whether the Group obtained control of acquiree and on what date. • We tested the completeness of the identified assets and liabilities acquired by comparison to the share purchase agreements, through discussions with the Group. • We assessed the Group's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: o Reading the valuation report prepared by the appointed external valuation specialists. o Evaluating the competence, objectivity and integrity of the appointed external valuation specialists. Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the customer relationships, customer contracts, brand and non-compete agreement and the discount rates applied.

Independent Auditors' Report (Contd.)

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Corporate Snapshot and Board's Report including its annexures, but does not include the consolidated financial statements and our auditor's report thereon. The Corporate Snapshot and Board's Report including its annexures are expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Corporate Snapshot and Board's Report including its annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

Independent Auditors' Report (Contd.)

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

We did not audit the financial statements / financial information of 1 subsidiary whose financial statements / financial information reflect total assets of Rs. 4,146 lakhs as at 31st March, 2019, total revenues of Rs. 12,189 lakhs and net cash inflows amounting to Rs. 616 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on the separate financial statements and other financial information of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion the aforesaid consolidated financial statements comply with the Ind AS

Independent Auditors' Report (Contd.)

specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ("IEPF") by the Parent. There were no amounts which were required to be transferred to the IEPF by the subsidiary companies incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: April 30, 2019

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Zensar Technologies Limited (hereinafter referred to as "Parent") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained in respect of Parent and its subsidiaries companies, which are companies incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

Annexure "A" to the Independent Auditors' Report (Contd.)

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: April 30, 2019

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Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Consolidated Balance Sheet as at	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Assets			
Non-current assets			
(a) Property, plant and equipment	4	10,267	10,030
(b) Capital work-in-progress		556	228
(c) Goodwill	31	60,310	42,234
(d) Other intangible assets	5	24,411	6,904
(e) Intangible assets under development		629	359
(f) Financial assets			
i. Investments	6(a)	6,982	14,440
ii. Other financial assets	6(f)	3,262	2,330
(g) Income tax assets (net)	17(a)	3,146	1,745
(h) Deferred tax assets (net)	7	4,468	3,095
(i) Other non-current assets	8	1,125	1,946
Total non-current assets		115,156	83,311
Current assets			
(a) Inventories	9	9,846	10,600
(b) Financial assets			
i. Investments	6(b)	4,536	13,023
ii. Trade receivables	6(c)	87,621	64,226
iii. Cash and cash equivalents	6(d)	31,689	20,416
iv. Other balances with banks	6(e)	899	271
v. Other financial assets	6(g)	26,444	30,681
(c) Other current assets	10	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	11(a)	4,504	4,499
(b) Other equity			
i. Reserves and surplus	11(b)	187,430	160,512
ii. Other components of equity	11(d)	2,302	1,879
Equity attributable to owners of the company		194,236	166,890
Non-controlling interests	29(b)	1,696	1,365
Total equity		195,932	168,255
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	12(a)	10,221	595
ii. Other financial liabilities	12(b)	6,084	6,201
(b) Provisions	14	209	88
(c) Employee benefit 0bligations	15	1,457	1,496
Total non-current liabilities		17,971	8,380
Current liabilities			
(a) Financial liabilities			
i. Borrowings	12(a)	15,560	-
ii. Trade payables	13		
Total outstanding dues of micro and small enterprises"		-	-
Total outstanding dues of creditors other than micro and small enterprises"		30,095	18,393
iii. Other financial liabilities	12(b)	25,351	16,149
(b) Employee benefit obligations	15	5,692	4,549
(c) Other current liabilities	16	14,422	12,231
(d) Income tax liabilities (net)	17(a)	3,949	1,685
Total current liabilities		95,069	53,007
Total liabilities		**113,040**	**61,387**
Total equity and liabilities		**308,972**	**229,642**

The accompanying notes form an integral part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Pune
Date: April 30, 2019

Place: Mumbai
Date: April 30, 2019

Consolidated Statement of Profit and Loss

(All amounts in INR Lakhs, except earnings per share)

Consolidated Statement of Profit and Loss for the	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
(a) Revenue from operations	18	396,633	310,774
(b) Other income (net)	19	9,268	7,439
Total income		405,901	318,213
Expenses			
(a) Purchase of network and security products		5,275	8,981
(b) Purchases of licenses for software applications		6,263	4,395
(c) Consumption of spare parts in support of computer hardware and maintenance contracts		6,524	4,765
(d) (Increase)/decrease in inventories		754	668
(e) Employee benefits expense	20	215,258	170,535
(f) Subcontracting costs		63,302	40,040
(g) Finance cost	21	3,729	2,267
(h) Depreciation and amortisation expense	22	8,944	6,508
(i) Other expenses	23	51,314	44,897
Total expenses		**361,363**	**283,056**
Profit before tax		44,538	35,157
Tax expense	24		
(a) Current tax		14,045	11,142
(b) Deferred tax		(1,372)	(634)
Total tax expense		**12,673**	**10,508**
Profit for the year		**31,865**	**24,649**
Other comprehensive income/(loss)			
I) (a) **Items that will not be reclassified to profit or loss**			
- Remeasurements of defined employee benefit plans	15	159	647
- Change in fair value of equity instruments	11(d)	(196)	7
(b) Income tax relating to items that will not be reclassified to profit or loss	24(iii)	(7)	31
		(44)	685
II) (a) **Items that will be reclassified to profit or loss**			
- Effective portion of gain / (loss) on designated portion of hedging instruments in a Cash Flow Hedge (net)	11(d)	657	(1,593)
- Exchange differences in translating the financial statements of foreign operations - gain / (loss)	11(d)	(24)	2,230
(b) Income tax relating to items that will be reclassified to profit or loss	11(d)	(230)	557
		403	1,194
Other comprehensive income for the year, net of tax		**359**	**1,879**
Total comprehensive income for the year		**32,224**	**26,528**
Profit for the year attributable to:			
- Owners of the Company		31,359	24,153
- Non controlling interests		506	496
		31,865	24,649
Other comprehensive income attributable to:			
- Owners of the Company		534	1,751
- Non controlling interests		(175)	128
		359	**1,879**
Total comprehensive income attributable to:			
- Owners of the Company		31,893	25,904
- Non controlling interests		331	624
		32,224	**26,528**
Earnings per share [nominal value per share Rs.2/-]	35		
- Basic		13.93	10.75
- Diluted		13.70	10.64

The accompanying notes form an integral part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: April 30, 2019

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Consolidated Statement of changes in equity

(All amounts in INR Lakhs, except earnings per share)

Equity Share Capital

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
4487	12	4499
Balance as at April 1, 2018	**Changes in equity share capital during the year**	**Balance as at March 31, 2019**
4499	5	4504

Particulars	Notes	Reserves & surplus							Other components of equity			Owners Equity	Non-controlling interests	Total
		Capital redemption reserve	Share based payment reserve	Capital reserve	Securities premium	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Equity investment through OCI	Foreign currency translation reserve			
Balance as at April 1, 2017		**442**	**1,833**	**293**	**2,037**	**52,703**	**84,631**	**180**	**1,009**	**495**	**(953)**	**142,669**	**741**	**143,411**
Profit for the year	11(c)	-	-	-	-	24,153	-	-				24,153	496	24,649
Effective portion of gain / (loss) on Cash Flow Hedge (net).	11(d)	-	-	-	-	-	-	-	(1,036)	-	-	(1,036)	-	(1,036)
Change in fair value of equity instruments	11(d)	-	-	-	-	-	-	-	-	262	-	262	-	262
Exchange differences in translating the financial statements of foreign operations - gain / (Loss) (net of tax)	11(d)	-	-	-	-	-	-	-	-	-	2,102	2,102	128	2,230
Remeasurements of defined employee benefit plans (net of tax)	11(c)	-	-	-	-	423	-	-	-	-	-	423	-	423
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**24,576**	**-**	**-**	**(1,036)**	**262**	**2,102**	**25,903**	**624**	**26,528**
Transaction with owners in their capacity as owners:														**-**
Dividends paid (including Dividend Distribution Tax)	11(c)	-	-	-	-	(6,260)	-	-	-	-	-	(6,260)	-	(6,260)
Recognition of Employee Share based payment expense	11(c)	-	369	-	-	-	-	-	-	-	-	369	-	369

Particulars	Notes	Reserves & surplus							Other components of equity			Owners Equity	Non-controlling interests	Total
		Capital redemption reserve	Share based payment reserve	Capital reserve	Securities premium	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Equity investment through OCI	Foreign currency translation reserve			
Transferred from / to Securities premium on exercise of stock options	11(c)	-	(95)	-	95	-	-	-	-	-	-	-	-	-
Received on exercise of stock options	11(c)	-	-	-	246	-	-	-	-	-	-	246	-	246
Reclassified to non current liabilities	11(c)	-	(537)	-	-	-	-	-	-	-	-	(537)	-	(537)
Transferred to General reserve	11(c)	-	(222)	-	-	(10,000)	10,222	-	-	-	-	-	-	-
Balance as at March 31, 2018		**442**	**1,348**	**293**	**2,378**	**61,018**	**94,853**	**180**	**(27)**	**757**	**1,149**	**162,391**	**1,365**	**163,756**
Profit for the year	11(c)	-	-	-	-	31,359	-	-	-	-	-	31,359	506	31,865
Effective portion of gain / (loss) on Cash Flow Hedge (net).	11(d)	-	-	-	-	-	-	-	427	-	-	427	-	427
Change in fair value of equity instruments	11(d)	-	-	-	-	-	-	-	-	(155)	-	(155)	-	(155)
Exchange differences in translating the financial statements of foreign operations - gain / (Loss) (net of tax)	11(d)	-	-	-	-	-	-	-	-	-	151	151	(175)	(24)
Remeasurements of defined employee benefit plans (net of tax)	11(c)	-	-	-	-	111	-	-	-	-	-	111	-	111
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**31,470**	**-**	**-**	**427**	**(155)**	**151**	**31,893**	**331**	**32,224**
Transaction with owners in their capacity as owners:														**-**
Dividends paid (including Dividend Distribution Tax)	11(c)	-	-	-	-	(6,333)	-	-	-	-	-	(6,333)	-	(6,333)
Recognition of Employee Share based payment expense	11(c)	-	1,646	-	-	-	-	-	-	-	-	1,646	-	1,646
Transferred from / to Securities premium on exercise of stock options	11(c)	-	(57)	-	57	-	-	-	-	-	-	-	-	-
Received on exercise of stock options	11(c)	-	-	-	135	-	-	-	-	-	-	135	-	135

Particulars	Notes	Reserves & surplus							Other components of equity			Owners Equity	Non-controlling interests	Total
		Capital redemption reserve	Share based payment reserve	Capital reserve	Securities premium	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Equity investment through OCI	Foreign currency translation reserve			
Reclassified to non current liabilities	11(c)	-	-	-	-	-	-		-	-	-	-	-	-
Transferred to General reserve on cancellation of stock options	11(c)	-	(87)	-	-	-	87	-	-	-	-	-	-	-
Transferred from/to general reserve/ retained earnings	11(c)	-	-	-	-	(11,820)	12,000	(180)	-	-	-	-	-	-
Transfer to Special economic zone re-investment reserve	11(c)	-	-	-	-	(1,500)	-	1,500	-	-	-	-	-	-
Balance as at March 31, 2019		**442**	**2,850**	**293**	**2,570**	**72,835**	**106,940**	**1,500**	**400**	**602**	**1,300**	**189,732**	**1,696**	**191,428**

The accompanying notes form an integral part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: April 30, 2019

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Consolidated Statement of Cash Flows for year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Cash flow from operating activities				
Profit before taxation		44,538		35,157
Adjustments for:				
Depreciation and amortisation	8,944		6,508	
Employee share based payment expense	1,652		369	
(Profit) / loss on sale of investments (net)	(2,796)		(637)	
Changes in fair value of financial assets/liabilities measured at fair value through profit and loss	1,796		(720)	
Fair value (gain)/loss on share buyback liability	208		175	
Change in fair value of equity instruments	(196)		-	
Dividend income			(132)	
Interest income	(545)		(487)	
Finance costs	2,951		2,267	
(Profit)/Loss on sale of tangible assets (net)	9		(43)	
Provision for doubtful debts (net)	2,368		2,526	
Bad debts written off	1,174		1,186	
Profit on Sale of Business	(1,941)		-	
Provision no Longer required and credit balances written back	(2,391)		(354)	
Unrealised exchange gains/(loss) (net)	(83)	11,150	(1,022)	9,636
Cash generated from operations		**29,466**		**30,944**
Income taxes paid (net of refunds)		(13,864)		(10,351)
Net cash inflow from operating activities		**15,602**		**20,593**
Cash flow from investing activities				
Purchase of tangible/intangible assets including capital work in progress	(5,242)		(5,245)	
Payment of Earnout to Susidiaries	(3,179)		-	
Purchase of Business (Refer Note 36)	(34,171)		(9,302)	
Proceeds from sale of tangible/intangible assets	68		95	
Proceeds on disposal of business	847		-	
Proceeds from sale of Investment	921		-	
Investments in Fixed Deposits	(615)		(51)	
Purchase of investments (Mutual Funds)	(79,121)		(60,098)	
Sale of investments (Mutual Funds)	95,202		59,080	
Sale of Non Convertible Debentures	814		(750)	
Interest income received	366		487	
Dividend income received	-		132	
Net cash used in investing activities		**(24,110)**		**(15,652)**
Cash flow from financing activities				
Proceeds from issue of equity shares	140		258	
Interest paid	(1,339)		(1,036)	
Dividend on equity shares and tax thereon	(6,333)		(6,260)	
Proceeds of long-term borrowings	13,067		-	
Repayment of long-term borrowings	(290)		(381)	
Proceeds of short-term borrowings	23,278		4,772	
Repayment of short-term borrowings	(8,433)		(17,757)	
Net cash used in financing activities		**20,090**		**(20,404)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Effect of exchange differences on translation of cash and cash equivalents	0	3
Increase in Cash and Cash Equivalents on Acquisition (Refer note 36)	1,530	1,480
Decrease in Cash and Cash Equivalents on disposal of subsidiaries	(288)	-
Net increase/(decrease) in cash and cash equivalents	**12,824**	**(13,980)**
Cash and cash equivalents at the beginning of the year	18,555	32,535
Cash and cash equivalents at the end of the year	31,379	18,555

Notes:

1. The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
2. Cash and cash equivalents comprise of:

	As at March 31, 2019	As at March 31, 2018
Cash on Hand	5	3
Funds in transit	7,391	70
Balances with Banks :		
- In current accounts	22,083	18,972
- Deposits having original maturity of less than three months	2,210	1,371
Total	**31,689**	**20,416**
Less: Book Overdrafts	**(310)**	**(1,861)**
Total	**31,379**	**18,555**

The accompanying notes form an integral part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: April 30, 2019

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts in INR Lakhs, unless otherwise stated)

1. Corporate Information

Zensar Technologies Limited (the “”Company””) along with its wholly owned subsidiaries Zensar Technologies Inc., Zensar Technologies (UK) Limited, Zensar Technologies (Singapore) Pte. Limited, Zensar Technologies (Shanghai) Company 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, Foolproof Limited, Knit Limited and Foolproof (SG) Pte 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, *******Cynosure Inc UK Ltd, ******Zensar Information Technologies Limited, ******Zensar Software Technologies Limited, ********Keystone Logic Mexico, S. DE R.L. DE C.V, ********Keystone Technologies Mexico, S. DE R.L. DE C.V and **Indigo Slate Inc (together hereinafter referred to as “the Group”) is engaged in providing a complete range of IT Services and Solutions. The Group’s industry expertise spans across Manufacturing, Retail, Media, Banking, Insurance, Healthcare and Utilities. The Company is a public limited company incorporated and domiciled in India and has its registered office at Pune, Maharashtra, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

*	Effective from	April 1, 2018
**	Effective from	August 8, 2018
***	Effective from	April 1, 2017
****	Effective from	September 5, 2017
*****	Effective from	January 12, 2018
******	Disposed off on	January 23, 2019
*******	Disolved on	November 13, 2018
********	Effective from	June 20, 2018

The Financial Statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 30, 2019.

2. Summary of significant accounting policies

a. Compliance with Ind AS:

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

b. Basis of preparation

(i) Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

certain financial assets and liabilities (including derivative instruments) which are measured at fair value

- defined benefit plans
- plan assets measured at fair value
- share- based payments and
- assets and liabilities arising in a business combination

(ii) Current versus Non-current classification

All assets and liabilities have been classified as current or non-current as per the Group’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realization in cash and cash equivalents, the Group has ascertained its operating cycles as 12 months for the purpose of current -non current classification of assets and liabilities.

(iii) Principles of consolidation

The Consolidated Financial Statements comprise the financial statements of Zensar Technologies Limited and its subsidiaries (the Company and its subsidiaries constitute “the Group”). The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity’s returns by using its power over the entity. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line-by-line basis and intragroup balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

(iv) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is measured at cost less accumulated impairment losses.

Intangible assets acquired in business combination are measured at fair value as of the date of acquisition less accumulated amortisation and accumulated impairment, if any.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

c. Revenue Recognition

The Group derives revenue primarily from software development, maintenance of software/hardware and related services, and sale of software licences.

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2(d) "Summary of Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised only when there is transfer of control of goods or services. At the inception of every contract, transaction price and performance obligations are determined. Transaction price reflect amount of consideration expected to be received in exchange for transferring goods and services plus weighted average estimate of variable consideration i.e. discounts, rebates, price concession, rebates etc. Transaction price is allocated in a manner that depicts exchange for transferring of promised goods and service.

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Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

The Group applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the transaction price to separately identifiable performance obligations based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost plus margin approach in estimating the stand-alone selling price.

(i) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

(ii) Fixed- price contracts:

Revenue from fixed-price contracts, including IT Infrastructure development and integration contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized using the "percentage-of-completion" method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. The Group uses the percentage of completion method using the input (efforts expended) method to measure the progress towards completion in respect of fixed price contracts. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. 'Unbilled revenues' represent earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'

(iii) Maintenance contracts:

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

(v) Sale of licenses:

Revenue from licenses where the customer obtains a "right to use "the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

d. Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of income except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

(i) Current Income Tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

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(ii) Deferred Tax:

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred Tax includes MAT credit and it is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 for a specified period. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

e. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As a lessee:

Finance Lease: Leases of property, plant and equipment, where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating lease: Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of income on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Deposits provided to lessors: The Group is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits

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are financial assets are are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments. Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

f. Foreign Currency Translation

(i) Functional and presentation currency:

Items included in the financial statements of each of Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are prepared in Indian rupee (INR), which is Zensar Technology Limited's functional and presentation currency.

(ii) Transactions and balances

- Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

- A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

(iii) Foreign Operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet.

- Income and expense items are translated at the average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

- All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are

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treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

g. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and Cash Equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant change in value.

i. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

j. Inventories

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. Cost is determined using weighted average method. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

k. Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either though other comprehensive income, or through profit and loss), and
- those measured at amortized cost The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Measurement

Financial assets carried at amortized cost: A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting

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contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

(v) Derecognition of financial assets

The Group derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, which is generally when shareholders approve the dividend, it is probable that the ecnonomic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

I. Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

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Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(iv) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract

- with the effect that some of the cash flows of the combined instrument vary in a way similar to a derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

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m. Derivatives and hedging activities

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Group limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss as cost.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operatio

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated

Subsequent to initial recognition, derivative financial instruments are measured as described below:

Cash flow hedges:

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of profit and loss.

n. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

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o. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost

Freehold land is carried at historical cost and is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

An item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

The cost of property, plant and equipment not available for use before year end date are disclosed under capital work- in-progress.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount

(ii) Depreciation

The Group depreciates property, plant and equipment on a straight-line basis as per the useful lives. Useful life of assets have been determined based on technical evaluation done by the management's expert:

Class of asset	Useful life as followed by the Group
Buildings	33 years
Plant & Equipments	5 years
Furniture & fixtures	3-10 years
Office Equipments	3-5 years
Data processing Equipments	3-4 years
Data Processing Equipments - Finance Lease	3-4 years
Vehicles	5 years

Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate

p. Intangible Assets

(i) Intangible assets:

Intangible assets other than those acquired in a business combination are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognized at cost on demonstration of its technical feasibility, the intention and ability of the Group to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and the expenditure attributable to the said assets during its development can be measured reliably

An item of Intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Intangible assets are determined as the difference between the sales proceeds and the

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carrying amount of the asset and is recognised in the profit or loss.

(ii) Research cost:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell of the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the period of expected future benefit, i.e. the estimated useful life of the intangible asset. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(iii) Amortization periods and methods: Intangible assets are amortized on straight line basis over their estimated useful lives which are as follows:

Class of intangible asset	Useful life as followed by the Group
Softwares (acquired)	1-5 years
Softwares (internally generated)	3-5 years
Non compete agreements	3-6 years
Customer relationship	5-10 years
Customer contracts	1 year
Brand	5 years

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

q. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognized as interest expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract

r. Employee benefits

(i) Post-employment and pension plans

The Group participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to

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pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

The Group has the following employee benefit plans

Provident Fund:

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. Provident fund contributions are made to a trust administered by the Group. The contributions to the trust managed by the Group are accounted for as a defined benefit plan as the Group is liable for any shortfall in the fund assets based on the government specified minimum rates of return. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Superannuation and family pension fund:

Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India . The Group makes annual contributions based on a specified percentage of each eligible employee's salary.

The Group has a Defined Contribution Plan for Post-employment benefits for all employees in the form of Family Pension Fund administered by Regional Provident Fund Commissioner.

These contributions to superannuation and family pension funds are classified as defined contribution plans as the Group has no further obligation beyond making the contributions. The Group's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as and when employee provides services

Gratuity:

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Scheme. The Gratuity plan provides for a lump sum payment to eligible employees, at retirement, death, incapacitation or termination of employment based on the last drawn salary and years of employment with the Group. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Group's obligation in respect of the gratuity plan, is provided for based on actuarial valuation using the projected unit credit method. The Group recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme

(ii) Short-term benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Liabilities for wages and salaries including the amount expected to be paid under short-term cash bonus or profit sharing plans, expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Compensated absences:

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in

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(All amounts in INR Lakhs, unless otherwise stated)

the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise

(iv) Share-based payments:

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss."

s. Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds

t. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

u. Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number

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of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

v. **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

w. **Recent accounting pronouncements**

Standards issued but not yet effective

Ind AS 116 Leases:- On March 30, 2019, Ministary of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value. Currently, operating lease expenses are charge to the statement of profit or loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is in process of evaluating the impact on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is in process of evaluating the impact on the financial statements

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in process of evaluating the impact on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.The Company is in process of evaluating the impact on the financial statements.

3. Critical estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which

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the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

The areas involving critical estimates and/or judgements are:

a Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any,on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. The policy for the same has been explained under note 2(d).

c Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2(o).

d Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2(q).

e Business combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired, and liabilities and contingent consideration involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

f Goodwill

Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

g Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities

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involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer note 15.

h Employee stock options

The Group initially measures the cost of equity-settled transactions with employees using a Black Scholes Options Pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model and the performance of the Group, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 34.

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4. Property, plant and equipment

Particulars	Buildings	Lease-hold Improve-ments	Plant and Equipments	Furniture and Fixtures	Office Equip-ments	Data Processing Equipments	Data Processing Equipments - Finance lease Refer Note (ii) below	Vehicles	Total
Gross carrying amount									
As at April 1, 2017	**4,045**	**993**	**917**	**1,804**	**1,038**	**6,115**	**294**	**242**	**15,448**
Additions on business combinations (Refer note 36)	-	65	28	52	32	167	-	-	344
Additions	5	902	21	324	324	1,761	946	20	4,303
Disposals	(2)	(0)	(13)	(125)	(11)	(64)	(101)	(8)	(324)
Exchange translation differences	-	35	-	62	(48)	103	-	-	152
Gross carrying amount as at March 31, 2018	**4,048**	**1,995**	**953**	**2,117**	**1,335**	**8,082**	**1,139**	**254**	**19,923**
Accumulated Depreciation									
As at April 1, 2017	359	666	340	796	527	3,477	254	105	6,524
Additions due to acquisition (Refer note 36)	-	42	13	19	17	124	-	-	215
Depreciation during the year	183	381	184	288	204	1,643	256	43	3,182
Disposals	(0)	(0)	(11)	(82)	(9)	(61)	(101)	(8)	(272)
Exchange translation differences	-	54	0	(8)	(1)	199	-	-	245
Accumulated depreciation as at March 31, 2018	**542**	**1,143**	**526**	**1,013**	**738**	**5,382**	**409**	**140**	**9,893**
Net carrying amount as at March 31, 2018	**3,506**	**852**	**427**	**1,104**	**597**	**2,700**	**730**	**114**	**10,030**

Particulars	Buildings	Lease-hold Improve-ments	Plant and Equipments	Furniture and Fixtures	Office Equip-ments	Data Processing Equipments	Data Processing Equipments - Finance lease Refer Note (ii) below	Vehicles	Total
Gross carrying amount									
As at April 1, 2018	**4,048**	**1,995**	**953**	**2,117**	**1,335**	**8,082**	**1,139**	**254**	**19,923**
Additions on business combinations (Refer note 36)		-	-	111	702	51	-	-	864
Additions	-	548	108	261	274	1,872	-	-	3,063
Disposals	-	(66)	(23)	(199)	(73)	(243)	(62)	(19)	(685)
Exchange translation differences		149	-	(28)	92	299	-	-	512
Gross carrying amount as at March 31, 2019	**4,048**	**2,626**	**1,038**	**2,262**	**2,330**	**10,061**	**1,077**	**235**	**23,677**
Accumulated Depreciation									
As at April 1, 2018	542	1,143	526	1,013	738	5,382	409	140	9,893
Additions due to acquisition (Refer note 36)	-	-	-	46	211	34	-	-	291
Depreciation during the year	191	346	177	263	342	1,773	241	35	3,368
Disposals	-	(66)	(15)	(168)	(65)	(225)	(62)	(10)	(611)
Exchange translation differences	-	174	(0)	(2)	32	265	-	-	469
Accumulated depreciation as at March 31, 2019	**733**	**1,597**	**688**	**1,152**	**1,258**	**7,229**	**588**	**165**	**13,410**
Net carrying amount as at March 31, 2019	**3,315**	**1,029**	**350**	**1,110**	**1,072**	**2,832**	**489**	**70**	**10,267**

(i) Contractual obligations:

Refer note 33 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipments.

(ii) Leased assets

-The company's obligations under finance lease (see note 12) are secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 489 lakhs (March 31, 2018: Rs. 730 Lakhs)

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(All amounts in INR Lakhs, unless otherwise stated)

5. Other Intangible Assets

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
Gross carrying amount							
As at April 1, 2017	**3,380**	**670**	**3,905**	**1,063**	**685**	**524**	**10,227**
Additions on business combinations (Refer note 36)	22	-	4,058	201	167	329	**4,777**
Additions	1,345	118	-	-	-	-	**1,463**
Disposals	-	-	-	-	-	-	**-**
Exchange translation differences	-	-	-	-	-	-	**-**
Gross carrying amount as at March 31, 2018	**4,747**	**788**	**7,963**	**1,264**	**852**	**853**	**16,467**
Accumulated Amortisation							
As at April 1, 2017	2,839	458	1,128	889	508	403	**6,225**
Additions on business combinations (Refer note 36)	13	-	-	-	-	-	**13**
Amortisation for the year	1,348	234	1,009	201	84	450	**3,326**
Exchange translation differences	(1)	-	-	-	-	-	**(1)**
Accumulated amortisation as at March 31, 2018	**4,199**	**692**	**2,137**	**1,090**	**592**	**853**	**9,563**
Net carrying amount as at March 31, 2018	**548**	**96**	**5,826**	**174**	**260**	**-**	**6,904**

Particulars	Softwares (Acquired)	Softwares (Internally generated)	Customer Relationship	Non Compete Agreements	Brand	Customer contracts	Total Other intangible assets
Gross carrying amount							
As at April 1, 2018	4,747	788	7,963	1,264	852	853	**16,467**
Additions	1,216	95	-	-	-	-	**1,311**
Additions on business combinations (Refer note 36)	-	-	18,755	1,115	1,900	-	**21,770**
Disposals	(2,924)	(163)	-	-	-	-	**(3,087)**
Exchange translation differences	131	-	-	-	-	-	**131**
Gross carrying amount as at March 31, 2019	**3,169**	**719**	**26,718**	**2,379**	**2,751**	**853**	**36,592**
Accumulated Amortisation							
As at April 1, 2018	4,199	692	2,137	1,090	592	853	**9,564**
Acquisition through business combinations (Refer note 36)	-	-	-	-	-	-	**-**
Amortisation for the year	1,235	25	3,503	362	449	-	**5,574**
Disposals	(2,921)	(163)	-	-	-	-	**(3,084)**
Exchange translation differences	128	-	-	-	-	-	**128**
Accumulated amortisation as at March 31, 2019	**2,641**	**554**	**5,640**	**1,452**	**1,040**	**853**	**12,181**
Net carrying amount as at March 31, 2019	**528**	**165**	**21,078**	**927**	**1,711**	**-**	**24,411**

(i) **Impairment tests for goodwill-** Refer note 31

(ii) **Research and development expenditure -** Aggregate amount of research and development expenditure recognised as an expense during the year is Rs. 39 lakhs (March 31, 2018 : Rs. 68 lakhs).

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6. Financial assets

6 (a) Non-current Investments

	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	**Investment carried at Fair Value through Other Comprehensive Income (FVOCI)**		
	Investment in equity instruments - Quoted		
	100 (March 31, 2018: 100) Equity Shares of Rs. 10 each fully paid-up in CFL Capital Financial Services Limited	0	0
	Total	**0**	**0**
	Investments in equity instruments - Unquoted		
	100 (March 31, 2018: 100) Equity Shares of Rs. 9 each fully paid-up in Spencer & Company Limited	0	0
	1,000 (March 31, 2018: 1,000) Equity Shares of USD 0.01 each of Aquila Technology Corporation (Refer Note 29 (e))	2,324	2,372
	Total	**2,324**	**2,372**
(ii)	**Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)**		
	- Mutual Funds	4,658	11,277
	- Non Convertible Debentures	-	791
	Total	**4,658**	**12,068**
Total Non Current Investments		6,982	14,440
Aggregate amount of quoted investments & market value thereof		0	0
Aggregate amount of unquoted investments		6,982	14,440

6 (b) Current Investments

	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	**Unquoted Investments carried at Fair value through Profit and Loss (FVTPL)** - Mutual Funds	4,536	13,023
	Total	**4,536**	**13,023**
Total Current Investments		4,536	13,023
Aggregate amount of quoted investments & market value thereof		-	-
Aggregate amount of unquoted investments		4,536	13,023
Aggregate amount of impairment in the value of investments		-	-

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6 (c) Trade receivables
(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Considered good	87,621	64,226
Credit impaired	10,331	7,611
	97,952	71,837
Less: allowance for credit loss	10,331	7,611
Total receivables*	**87,621**	**64,226**

* Trade receivables include receivables from related parties (Refer note 30)

Notes :

(i) No amounts are receivable from directors or other officers of the company either severally or jointly with any other person.

(ii) Amounts receivable from firms or private companies in which any director is a partner, a director or a member - Rs. 32 lakhs (March 31, 2018 : Rs. 555 lakhs) (Refer note 30)

6 (d) Cash and cash equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash on hand	5	3
Funds in transit	7,391	70
Balances with banks :		
- In current accounts	22,083	18,972
- Deposits having original maturity of less than three months	2,210	1,371
Total	**31,689**	**20,416**

6 (e) Other balances with banks

Particulars	As at 31 March, 2019	As at 31 March, 2018
Earmarked Balances with Banks :		
- Unclaimed Dividend	232	220
- Deposits having original maturity of more than three months	667	51
Total	**899**	**271**

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(All amounts in INR Lakhs, unless otherwise stated)

6 (f) Other financial assets : Non Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits	1,880	1,756
Amount deposited under protest	1,382	569
Others	0	5
Total	**3,262**	**2,330**

6 (h) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unbilled revenues		
Considered good	22,214	30,468
Considered doubtful	-	170
	22,214	30,638
Less: Allowance for credit loss	-	170
	22,214	30,468
Foreign currency derivative assets	2,886	169
Security deposits	68	41
Interest accrued on bank deposits	29	3
Sales consideration receivable (refer note 39)	1,247	-
Total	**26,444**	**30,681**

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7. Deferred Tax Asset (net)

The components of deferred tax assets and liabilities are as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
The major components of the deferred tax asset are		
Property, plant and equipment and Intangible assets	895	838
Allowance for doubtful debts - trade receivables	2,416	2,287
Employee Benefits	3,352	2,529
Amortizable Goodwill	735	874
Tax Losses	-	278
Fair value changes on cash flow hedges	-	22
Others	177	186
	7,575	**7,014**
The major components of the deferred tax liability are		
Property, plant and equipment and Intangible assets	127	120
Gain on financial assets mandatorily measured at FVTPL - mutual und units	82	366
Fair value changes on cash flow hedges	207	-
Investments at fair value through OCI	183	211
Provision for inventory	1,949	2,193
Others	559	1,029
	3,107	**3,919**
Net deferred tax asset / (liability)	**4,468**	**3,095**

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

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(i) Movement in deferred tax assets

Particulars	Property, plant and equipment and Intangible assets	Allowance for doubtful debts - trade receivables	Employee Benefits	Tax Losses	Goodwill	Changes in fair value on cash flow hedges	Others	Total
As at April 1, 2017	**848**	**1,399**	**2,639**	**121**	**1,616**	**-**	**212**	**6,836**
(Charged)/credited:								
- to statement of profit and loss	(10)	888	(111)	157	(742)	-	(26)	156
- to other comprehensive income	-	-	-	-	-	22	-	22
As at March 31, 2018	**838**	**2,287**	**2,528**	**278**	**874**	**22**	**186**	**7,014**
(Charged)/credited:								
- to statement of profit and loss	57	129	824	(278)	(139)	-	(9)	584
- to other comprehensive income	-	-	-		-	(22)	-	(22)
As at March 31, 2019	**895**	**2,416**	**3,352**	**0**	**735**	**-**	**177**	**7,575**

(ii) Movement in deferred tax liabilities

Particulars	Gain on financial assets manda-torily measured at FVTPL - mutual fund units	Changes in fair value on cash flow hedges	Invest-ments at fair value through OCI	Amor-tizable Goodwill	Provision for inven-tory	Property, plant and equip-ment and Intangible assets	Others	Total
As at April 1, 2017	**290**	**534**	**449**	**142**	**3,066**	**-**	**616**	**5,098**
(Charged)/credited:								
- to statement of profit and loss	75	-	-	(143)	(873)	120	343	(478)
- to other comprehensive income	-	(534)	(255)	-	-	-	-	(789)
Exchange differences	-	-	-	-	-	-	88	88
As at March 31, 2018	**365**	**-**	**194**	**(1)**	**2,193**	**120**	**1,047**	**3,919**
(Charged)/credited:								
- to statement of profit and loss	(283)	-	-	-	(244)	7	(268)	(788)
- to other comprehensive income	-	207	(42)			-	-	165
Exchange differences	-	-	31	-	-	-	(220)	(189)
As at March 31, 2019	**82**	**207**	**183**	**(1)**	**1,949**	**127**	**559**	**3,107**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

8 Other non current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid expenses	809	1,524
Balances with government authorities	-	398
Capital advances	316	24
Total	**1,125**	**1,946**

9 Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
Spare parts in support of computer hardware maintenance contracts	9,846	10,600
[Goods in transit: Rs. 205 lakhs (March 31, 2018 : Rs. NIL)]		
Total	**9,846**	**10,600**

Amounts recognized in statement of profit or loss:

Write-downs of inventories to net releasable value amounted to Rs. 2,013 lakhs (March 31, 2018: Rs. 1,430 lakhs). These were recognized as an expense during the year and included in '(increase)/decrease in inventories' in statement of profit and loss.

10 Other Current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances other than capital advances:		
- advances to employees	691	678
- advances to suppliers	2,647	1,796
Unbilled revenues		
Considered good	15,445	-
Considered doubtful	-	-
	15,445	-
Less: Allowance for credit loss	-	-
	15,445	-
Others:		
- Prepaid expenses	9,451	3,386
- Balances with government authorities	3,389	1,213
- Others	1,158	41
Total	**32,781**	**7,114**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

11 (a) Equity share capital

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Authorised:		
23,75,00,000 equity shares of Rs. 2 each*	4,750	4,750
(4,75,00,000 shares of Rs. 10 each at March 31, 2018)		
2,50,000 preference shares of Rs. 100 each	250	250
(2,50,000 shares of Rs. 100 each at March 31, 2018)		
Total	**5,000**	**5,000**
Issued, subscribed and Paid up :		
22,51,84,920 equity shares of Rs. 2 each	4,504	4,499
(4,49,90,088 shares of Rs. 10 each at March 31, 2018)		
Total	**4,504**	**4,499**

(i) Reconciliation of the shares outstanding as at the beginning and at the end of the year:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Nos	Rs. In lakhs	Nos	Rs. In lakhs
At the beginning of the year	4,49,90,088	4,499	4,48,73,638	4,487
Add: Shares issued on exercise of employee stock options	1,54,376	5	1,16,450	12
Add: Conversion on account of share split*	18,00,40,456	-	-	-
Outstanding at the end of the year	**22,51,84,920**	**4,504**	**4,49,90,088**	**4,499**

* The shareholder of the company approved the subdivision of Authorised and issued equity share having face value of Rs.10/- each into 5 shares of Rs. 2/- each in their meeting held on August 8, 2018.

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders in their general meeting on August 08, 2018 approved the Final dividend for FY 2017-18 of Rs. 7.00 per equity share. The total outflow of equity dividend and dividend tax thereon amounted to Rs. 3,798 lakhs including corporate dividend tax of Rs. 647 lakhs.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

The board of directors in their meeting on January 21, 2019 declared an interim dividend of Rs. 1.00 per equity share. The total outflow of equity dividend and dividend tax thereon amounted to Rs. 2,535 lakhs including corporate dividend tax of Rs. 283 lakhs.

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.

(iii) Details of shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	%	Number of shares	%	Number of shares
Swallow Associates LLP	26.89%	6,05,50,940	26.92%	1,21,10,188
Marina Holdco (FPI) Limited	22.87%	5,15,06,470	22.90%	1,03,01,294
Summit Securities Limited	10.96%	2,46,80,535	10.97%	49,36,107
Instant Holdings Limited	8.31%	1,86,89,130	8.31%	37,37,826
Amansa Holdings Private Limited	5.82%	1,30,96,412	4.75%	21,36,385

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding March 31, 2019 - Nil

(v) For details of Employee Stock Option Plan (ESOP), refer note 34

11 (b) Reserves and surplus

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital redemption reserve	442	442
Share based payment reserve	2,850	1,348
Retained earnings	72,835	61,018
Capital reserve	293	293
Securities premium	2,570	2,378
General reserve	1,06,940	94,853
Special economic zone re-investment reserve	1,500	180
Total reserves and surplus	**187,430**	**160,512**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

11 (c) Movement of Reserves and surplus

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital redemption reserve		
Balance at the beginning and end of the year	442	442
Share based payment reserve		
Balance as at the beginning of the year	1,348	1,833
Add: Recognition of Employee Share based payment expense (net)	1,646	369
Less: Transferred to General reserve on cancellation of stock options	87	222
Less: Transferred to Securities premium on exercise of stock options	57	95
Less: Reclassified to non current liabilities	-	537
Balance as at the end of the year	**2,850**	**1,348**
Retained earnings		
Balance as at the beginning of the year	61,018	52,702
Add: Profit for the year	31,359	24,153
Add / (less) items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of employee defined benefit plans (net of tax)	111	423
Add: Utilisation of special econoic re-investment reserve	180	-
Less: Equity Dividends paid (including Dividend Distribution Tax)	6,333	6,260
Less: Transferred to general reserve	12,000	10,000
Less: Transferred to Special Economic Zone Re-investment Reserve	1,500	-
Balance as at the end of the year	**72,835**	**61,018**
Capital reserve		
Balance at the beginning and end of the year	293	293
Securities premium		
Balance as at the beginning of the year	2,378	2,037
Add: Transferred from share based payment reserve on exercise of stock options	57	95
Add: Received on exercise of stock options	135	246
Balance as at the end of the year	**2,570**	**2,378**
General reserve		
Balance as at the beginning of the year	94,853	84,631
Add: Transferred from share based payment reserve on cancellation of stock options	87	222
Add : Transferred from Retained earnings	12,000	10,000
Balance as at the end of the year	**1,06,940**	**94,853**
Special economic zone re-investment reserve		
Balance as at the beginning of the year	180	180
Add: Transfer from retained earnings	1,500	-
Less: Utilised during the year	180	-
Balance as at the end of the year	**1,500**	**180**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

11 (d) Reserves and surplus

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash flow hedging reserve		
Balance at the beginning of the year	(27)	1,009
Effective portion of gain/(loss) on Cash Flow Hedge (net)	657	(1,593)
Tax impact	(230)	557
Balance as at the end of the year	**400**	**(27)**
FVOCI- equity investments	**2,570**	**2,378**
Balance at the beginning of the year	757	495
Change in fair value of equity instruments	(196)	7
Tax impact	41	255
Balance as at the end of the year	**602**	**757**
Foreign currency translation reserve		
Balance at the beginning of the year	1,149	(953)
Currency translation adjustments (net)	151	2,102
Tax impact	-	-
Balance as at the end of the year	**1,300**	**1,149**
Total	**2,302**	**1,879**

11 (e) Nature and purpose of each reserve within equity:

(i) Capital redemption reserve:

This reserve had been created out of general reserve in earlier years, being the nominal value of shares bought back. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) Share based payment reserve:

This reserve is used to record the fair value of equity-settled share based payment transactions. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options.

(iii) Retained earnings:

Retained earnings represents Group's undistributed earnings after taxes.

(iv) Securities premium:

Securities premium is used to record premium on issue of Equity shares. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(v) Special economic zone re-investment reserve:

This Reserve had been created out of profit of eligible SEZ units in accordance with the provision of Section 10 AA(1)(ii) of the Income Tax Act,1961. The reserve can only be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the section 10AA(2) of the Income Tax Act, 1961.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(vi) Cash flow hedging reserve:

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sales. For hedging foreign currency risk, the Company uses forward contracts which are designated as cash flow hedges. To the extent this hedge is effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the hedging reserve are reclassified to profit or loss when the hedged item affects profit or loss.

(vii) FVOCI- equity investments:

The Company has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(viii) Foreign currency translation reserve:

Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

12 (a) Borrowings

Particulars	Maturity period	Terms of repayment	As at 31 March, 2019	As at 31 March, 2018
Non-current borrowings				
Long term maturities of finance lease obligations				
- Obligations under finance leases (Secured)	Jun' 2019 to Jan' 2021	Quarterly instalments	645	935
- From Banks (Secured)	Sep' 2019 to Sep' 2022	Half yearly instalments	13,831	-
Total non current borrowings			**14,476**	**935**
Less: Current maturities of finance lease obligations (included in note 12(b))			327	340
Less: Current maturities of long term debt (included in note 12(b))			3,928	-
Non-current borrowings			**10,221**	**595**
Current Borrowings				
- From Banks (Secured)	July'2019	Payable within twelve months from the date of borrowing	15,560	-
Current borrowings			**15,560**	**-**

Non current borrowings

- Secured by the lessors' title to the leased assets, which have a carrying amount of Rs. 489 lakhs (March 31, 2018: Rs. 730 Lakhs)

Current borrowings

- Secured by the first pari passu charge on current assets and on select movable fixed assets.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

12 (b) Other financial liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-current		
Fair value of financial liability (Refer note 38)	1,543	1,567
Contingent consideration (Refer note 36 (b))	4,157	4,097
Accured salaries and benefits	384	537
Total - Other Non-current financial liabilities	**6,084**	**6,201**
Current		
Contingent consideration payable (Refer note 36 (b))	8,444	5,724
Current maturities of finance lease obligations	327	340
Current maturities of long term debt	3,928	-
Foreign Currency derivative Liabilities	23	674
Accured salaries and benefits	11,375	7,174
Unclaimed dividend	232	220
Capital creditors	42	21
Book overdrafts	310	1,861
Interest accrued on borrowings	1	7
Others	669	128
Total - Other Current financial liabilities	**25,351**	**16,149**

13 Trade payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current		
Trade payables	30,095	18,393
Total	**30,095**	**18,393**
- Total outstanding dues of micro and small enterprises *	-	-
- Total outstanding dues of creditors other than micro and small enterprises	30,095	18,393

* The Group has compiled this information based on the current information in its possession. As at 31st March 2019, no supplier has intimated the Group Companies about its status as a Micro or Small Enterprise or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

14 Non-current provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for Contingencies	209	88
Total	**209**	**88**

(i) Information about individual provisions

It pertains to Lease rentals related litigations. The timing and the amount of cash flows that will arise from this matter will be determined by the Appellate Authorities only on settlement of this case.

(ii) Movements in provisions

Movements in each class of provisions during the financial year, are set out below

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening Balance	**88**	**79**
Additional provisions accrued	121	12
Unused amounts reversed	-	-
Amounts used during the year	-	(3)
Closing Balance	**209**	**88**

15 Employee benefit obligations

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non current		
Provision for compensated absences	1,457	1,496
Total	**1,457**	**1,496**
Current		
Provision for compensated absences	5,368	4,117
Provision for gratuity (Refer Note (i) below)	324	432
Total	**5,692**	**4,549**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(i) Defined benefit plans:

a **Gratuity -** The Group provides for gratuity for employees in India in accordance with the gratuity scheme as applicable to the respective entities of the Group. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net liability amount
As at April 1, 2017	**7,714**	**(6,405)**	**1,309**
Current service cost	1,457		1,457
Interest expense / (income)	561	(466)	95
Total amount recognised in statement of profit and loss	**2,018**	**(466)**	**1,552**
Remeasurements			
Return on plan assets	-	(95)	(95)
(Gain) / loss from change in demographic assumptions	335		335
(Gain) / loss from change in financial assumptions	(471)	-	(471)
Experience (gains) / losses	(416)	-	(416)
Change in asset ceiling	-	-	-
Total amount recognised in Other Comprehensive Income	**(552)**	**(95)**	**(647)**
Liability Transferred In/ Acquisitions	168	-	168
Contributions by the company	-	(1,370)	(1,370)
Benefit payments	(580)	-	(580)
As at March 31, 2018	**8,768**	**(8,336)**	**432**
Current service cost	1,671	(644)	1,027
Interest expense / (income)	677	-	677
Total amount recognised in profit or loss	**2,348**	**(644)**	**1,704**
Remeasurements			
Return on plan assets	-	8	8
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	(33)	-	(33)
Experience (gains) / losses	(134)	-	(134)
Total amount recognised in Other Comprehensive Income	**(167)**	**8**	**(159)**
Liability Transferred Out/Disinvestments	(62)	-	(62)
Contributions by the company	-	(660)	(660)
Benefit payments	(935)	-	(935)
As at March 31, 2019	**9,952**	**(9,632)**	**320**

The net liability disclosed above relates to funded plans. The group intends to contribute in line with the recommendations of the fund administrator and the actuary.

b The net liability disclosed above relates to funded and unfunded plans are as follows:

Plan type	As at 31 March, 2019	As at 31 March, 2018
Present value of obligation	9,952	8,768
Fair value of plan assets	(9,632)	(8,336)
Total liability	**320**	**432**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

c As at March 31, 2019 and March 31, 2018, plan assets were primarily invested in insurer managed funds.

d Through Through its defined benefit plans, the group is exposed to number of risks, the most significant of which are detailed below:

Asset Volatility: The Plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform, this yield will create a deficit. The plan asset investments are in fixed income securities with high grades. These are subject to interest rate risk.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

"The group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within the framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The group has not changed the process used to manage its risks from previous periods

e The Group expects to contribute Rs 2,209 Lakhs (March 31, 2018 Rs. 2,057 lakhs) to the defined benefit plan during the next annual reporting period.

Weighted average duration of the Projected Benefit Obligation is 13 Years (March 31, 2018 - 12 Years)

f The expected benefits are based on the same assumptions used to measure the Group's benefit obligations as of March 31, 2018.

Estimated benefit payments from the fund for year ending	As at 31 March, 2019	As at 31 March, 2018
March 31, 2019	N.A	325
March 31, 2020	314	275
March 31, 2021	365	363
March 31, 2022	483	448
March 31, 2023	421	417
March 31, 2024	478	N.A
Thereafter	3,768	3,064

g **Provident fund :** The Group makes contribution towards provident fund which is administered by the trustees. The contributions is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return. The Group has obtained an actuarial valuation of the liability according to which there is no deficit as at the Balance Sheet date. The movement of liability and plan assets is as under:

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

ga Present Value of Defined Benefit Obligation

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance as at the beginning of the year	**29,019**	**24,866**
Liability transferred (Refer Note 34)	1,708	574
Interest cost	2,324	2,124
Current service cost	1,711	1,495
Employee contribution	2,915	2,637
Benefit paid	(2,921)	(2,677)
Balance as at the end of the year	**34,756**	**29,019**

gb Fair value of Plan Assets (Restricted to the extent of Present Value of Obligation)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance as at the beginning of the year	**29,377**	**25,269**
Expected return on plan assets	2,499	2,124
Contributions by the company	4,626	4,131
Transfer from other company	1,709	574
Benefit paid	(2,921)	(2,677)
Actuarial gains/(losses)	57	(44)
Balance as at the end of the year	**35,347**	**29,377**

gc

Particulars	As at 31 March, 2019	As at 31 March, 2018
Assets and liabilities recognised in the balance sheet	**-**	**-**

gd Expenses recognised in the statement of profit and loss

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Current service cost	1,711	1,495
Interest cost	2,324	2,124
Expected return on plan assets	(2,499)	(2,124)
Total expenses recognised in the statement of profit and loss	1,536	1,495

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

ge The plan assets have been primarily invested as follows :

Category of Assets	As at 31 March, 2019	As at 31 March, 2018
Central Government of India Assets	6,119	5,540
State Government of India Assets	10,544	7,923
Special Deposits Scheme	253	-
Private Sector Bonds	16,181	14,266
Equity / Mutual Funds	1,060	664
Cash and Cash Equivalents	71	131
Others	1,118	853
Total	**35,346**	**29,377**

gf The principal assumptions used for the purpose of actuarial valuation are as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
India		
Discount rate *	7.76%	7.73%
Salary escalation rate **	7.00%	7.00%
Rate of employee turnover		
-For services 4 years and below	13.00%	13.00%
-For services 5 years and above	3.00%	3.00%

* Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

** The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

gg Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:

Particulars	As at 31 March, 2019	As at 31 March, 2018
- 1% increase in discount rate	(10.14%)	(10.40%)
- 1% decrease in discount rate	11.87%	12.22%
- 1% increase in salary escalation rate	11.84%	12.19%
- 1% decrease in salary escalation rate	(10.29%)	(10.56%)
- 1% increase in rate of employee turnover	0.49%	0.44%
- 1% decrease in rate of employee turnover	(0.64%)	(0.59%)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(ii) Defined contribution plans:

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Contribution to Employees' Provident Fund	33	-
Contribution to Employees' Family Pension Fund	1,281	1,119
Contribution to Employees' Superannuation Fund	59	74
Contribution to Employees' Social Security Fund	4,080	3,478
Contribution to Employees' 401(K) Fund	1,244	887
Contribution to Central Provident Fund in Singapore	75	50
Contribution to National Insurance of UK	1,597	1,179
Contribution to Medicare Fund	1,055	921
Contribution to Social Security China	-	-

16 Other Current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
- Statutory dues	4,875	2,918
- Unearned revenue	9,425	9,278
- Others	122	35
Total	**14,422**	**12,231**

17 (a) Income tax

Particulars	As at 31 March, 2019	As at 31 March, 2018
Income tax assets (net)	3,146	1,745
Income tax liabilities (net)	3,949	1,685
Net total	**(803)**	**60**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

17 (b) Movement

The gross movement in the income tax asset / (liability) is as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening Balance	60	987
Income tax paid (net of refunds)	13,864	10,351
Current income tax expense (refer note 24 (i))	(14,279)	(11,611)
Adjustment for current tax of prior periods (refer note 24 (i))	234	(469)
Income tax on other comprehensive income (refer note 24 (iii))	(48)	(224)
Addition due to acquisition	(499)	-
Translation difference	(136)	430
Others	1	596
Net total	**(803)**	**60**

18 (a) Revenue from operations

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Software development and allied services	387,154	296,024
Sale of network and security products	6,067	10,097
Sale of licenses for software applications	3,412	4,653
Total	**396,633**	**310,774**

18 (b) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Verticals	
	AMS	IMS
Revenue by Geography		
-America	242,486	55,753
-Europe	52,545	4,320
- Africa	33,789	987
- Rest of the world	5,872	881
Revenue by Contract Type		
-Fixed Price Contracts/ Fixed Monthly	190,046	22,908
-Time and Material	144,646	39,033

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

18 (c) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in then contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

During the year ended March 31, 2019 , the company recognized revenue of Rs. 5,862 lakhs arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019 , Rs. 11,952 lakhs of unbilled revenue pertaining to fixed price contracts as of April 1, 2018 has been reclassified to Trade Receivable upon billing to customers on billing of milestones

18 (d) Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognized as of the end of the reporting period and an explanation as to when company expects to recognize these amounts as revenue. Applying the practical expedients as given in INDAS 115, the company has not disclosed the remaining performance obligations related disclosures where the revenue recognized corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time and material basis. Remaining performance obligation are subject to change and are affected by several factors, including terminations , changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2019 other than those meeting the exclusion criteria mentioned above, is INR 59,119 lakhs. Out of this company expects to recognize the balance revenue in next five years.

18 (e) Impact of applying erstwhile INDAS 115 -Revenue instead of INDAS 18-Revenue from Contract with customers

The impact on account of applying the erstwhile INDAS 115 Revenue standard instead of Ind AS 18 Revenue from contract with customers on the financials results of the company for the period ended March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of Rs. 15,445 lakhs as at March 31, 2019 has been considered as a Non financial asset.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

19 Other income (net)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest Income from financial assets - Carried at amortised cost		
- On deposits with banks	263	325
- Others	282	346
Dividend income on investments at FVTPL - Mutual fund units	-	132
Net gain on financial assets mandatorily measured at FVTPL	(1,796)	720
Profit on sale of investments measured at FVTPL - Mutual fund units	2,796	637
Net foreign exchange gain	2,899	4,652
Fair value gain/(loss) on share buyback liability	(208)	(175)
Profit on sale of fixed assets (net)	(9)	43
Profit on Sale of Business	1,941	-
Provisions no longer required and credit balances written back	2,391	354
Miscellaneous Income	709	405
Total	**9,268**	**7,439**

20 Employee benefits revenue

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Salaries, wages and bonus	192,578	152,607
Contribution to provident and other funds (Refer note 15)	12,864	10,830
Employee share-based payment expense (Refer note 34)	1,652	369
Staff welfare expenses	8,164	6,729
Total	**215,258**	**170,535**

21 Finance Costs

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest on :		
- Loans	1,275	248
- Finance lease	51	107
- Fair value of contingent consideration	1,612	1,231
- Others	13	33
Bank charges	778	648
Total	**3,729**	**2,267**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

22 Depreciation and amortisation expense

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Depreciation of Property, plant and equipment	**3,368**	**3,182**
Amortization of intangible assets	5,576	3,326
Total	**8,944**	**6,508**

23 Other expenses

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Rent (Refer Note 14)	8,216	7,987
Rates and taxes	1,106	1,031
Electricity and power	1,397	1,377
Travelling and conveyance	12,180	10,425
Recruitment expenses	1,701	944
Training expenses	929	774
Repairs and maintenance to :		
-Plant and machinery	394	230
-Data Processing Equipments	1,556	1,494
-Building	1,368	1,221
-Others	532	736
Insurance	709	543
Legal and professional charges	8,504	6,903
Directors' fees and commission	375	302
Communication expenses	2,337	2,431
General Office expenses	819	666
Carriage, freight and octroi	1,923	1,447
Advertisement and publicity	1,538	810
Expenditure towards Corporate social responsibility (See note 23 (a))	531	498
Allowance for doubtful trade receivables and unbilled revenues		
- Provided during the year	3,716	5,480
- Bad debts written off	1,174	1,186
- Less: Reversed during the year	1,348	2,954
	3,542	3,712
Miscellaneous expenses	1,657	1,367
Total	**51,314**	**44,897**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

23 (a) Expenditure towards Corporate social responsibility

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Gross amount required to be spent by the Company during the year	527	504
Total	**527**	**504**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
a. Construction/ acquisition of any asset	-	-
b. On purposes other than (a) above	531	498
Total	**531**	**498**

24 Income tax expense

This note provides an analysis of Group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Group's tax positions.

(i) Breakup of income tax expense:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Income tax expense		
Current Tax		
Current Tax on profits for the year	14,279	11,611
Adjustment for current tax of prior periods	(234)	(469)
Total current tax expense	**14,045**	**11,142**
Deferred tax		
Decrease / (increase) in deferred tax assets	(584)	(156)
(Decrease) / increase in deferred tax liabilities	(788)	(478)
Total deferred tax expense / (benefit)	**(1,372)**	**634**
Income tax expense	**12,673**	**10,508**

In India, the company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commences the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for further five years subject to certain Special Economic Zone Re-investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(ii) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in India:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before taxes	44,538	35,157
Enacted Income tax rate in India	34.94%	34.61%
Computed expected tax expenses	**15,562**	**12,168**
Effect of Income exempt from tax	(3,778)	(1,918)
Effect of non deductible expenses	124	175
Changes in unrecognized deferred tax assets (net)	-	604
Income taxed at higher/(lower) rates	(581)	(267)
Income tax relating to prior years	335	(112)
Difference in overseas tax rates	(2,424)	(103)
Others items	3,435	(39)
	12,673	**10,508**

(iii) Tax on the amounts recognised directly in OCI:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Current tax	Deferred tax	Current tax	Deferred tax
OCI				
Fair value changes on cash flow hedges	-	230	-	(557)
Remeasurements of post employment benefit obligations	48	-	224	-
Exchange difference on translation of foreign operations	-	-	-	-
Change in fair value of equity instruments	-	(41)	-	(255)
Income tax expense	**48**	**189**	**224**	**(812)**

(iv) Tax losses

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unused tax losses on which no deferred tax asset has been recognised	0	505
Potential tax benefit @ 23.296%	-	118

(v) Changes in tax rate - The applicable Indian statutory tax rate for the financial year 2018-19 and financial year 2017-18 is 34.94% and 34.61% respectively.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

25 Fair value measurements

Financial instruments by category:

Particulars	As at 31 March, 2019				As at 31 March, 2018			
	FVTPL	FVOCI	Derivative financial assets	Amortised cost	FVTPL	FVOCI	Derivative financial assets	Amortised cost
Financial assets								
Investments:								
- equity instruments	-	2,324	-	-	-	2,372	-	-
- mutual funds	9,194	-	-	-	24,300	-	-	-
- non convertible debentures	-	-	-	-	791	-	-	-
Trade receivables	-	-	-	87,621	-	-	-	64,226
Cash and cash equivalents	-	-	-	31,689	-	-	-	20,416
Other bank balances	-	-	-	899	-	-	-	271
Derivative financial assets	-	-	2,886	-	-	-	169	-
Security deposits	-	-	-	1,948	-	-	-	1,797
Unbilled revenues	-	-	-	22,214	-	-	-	30,468
Others	-	-	-	2,658	-	-	-	578
Total financial assets	**9,194**	**2,324**	**2,886**	**147,029**	**25,091**	**2,372**	**169**	**117,756**
Financial liabilities								
Borrowings	-	-	-	30,036	-	-	-	935
Trade payables	-	-	-	30,095	-	-	-	18,393
Capital creditors	-	-	-	42	-	-	-	21
Accured salaries and benefits	-	-		11,759	-	-	-	7,711
Derivative financial liabilities			23	-	-	-	674	-
Contingent consideration	12,601	-	-	-	9,821	-	-	-
Other financial liabilities	-	-	-	2,755	1,567	-	-	2,216
Total financial liabilities	**12,601**	**-**	**23**	**74,687**	**11,388**	**-**	**674**	**29,276**

(i) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
Mutual funds	6(a), (b)	9,194	-	-	9,194
Non convertible debentures	6(a)	-	-	-	-
Financial investments at FVOCI					
Equity instruments	6(a)	0	-	2,324	2,324
Derivatives designated as hedges					
Foreign exchange derivative assets	6(g)	-	2,886	-	2,886
Total financial assets		**9,194**	**2,886**	**2,324**	**14,404**
Financial liabilities					
Contingent consideration	12(b)	-	-	12,601	12,601
Foreign currency derivative liabilities	12(b)	-	23	-	23
Fair value of financial liability	12(b)	-	-	-	-
Total financial liability		**-**	**23**	**12,601**	**12,624**

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
Mutual funds	6(a), (b)	24,300	-	-	24,300
Non convertible debentures	6(a)	791	-	-	791
Financial investments at FVOCI					
Equity instruments	6(a)	0	-	2,372	2,372
Derivatives designated as hedges					
Foreign exchange forward contracts	6(g)	-	169	-	169
Total financial assets		**25,091**	**169**	**2,372**	**27,632**
Financial liabilities					
Contingent consideration	12(b)	-	-	9,821	9,821
Foreign currency derivative liabilities	12(b)	-	674	-	674
Fair value of financial liability	12(b)	-	-	1,567	1,567
Total financial liability		**-**	**674**	**11,388**	**12,062**

Notes to the Consolidated Financial Statements
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(All amounts in INR Lakhs, unless otherwise stated)

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Level 2: Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) but is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(ii) Fair value measurement using significant Unobservable Inputs (Level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2019 and March 31, 2018

Particulars	Unlisted Equity Securities	Contingent Consideration
As at March 31, 2017	**2,304**	**2,451**
Fair value gain/(losses) recognized in other comprehensive income	7	-
Fair value gain/(losses) recognized in statement of profit and loss	-	1,231
Addition on business combination	-	6,150
Foreign Exchange flucutation	62	(11)
As at March 31, 2018	**2,372**	**9,821**
Fair value gain/(losses) recognized in other comprehensive income	(196)	-
Fair value gain/(losses) recognized in statement of profit and loss	-	1,612
Addition on business combination	-	5,811
Deduction on Payment	-	(3,179)
Reversal of liability		(1,564)
Foreign Exchange flucutation	147	100
As at March 31, 2019	**2,324**	**12,601**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(iii) Valuation inputs and relationships to fair value

Particulars	Fair value		Significant unobservable inputs	Probability-weighted range		Sensitivity
	As at March 31,2019	As at March 31,2018		As at March 31,2019	As at March 31,2018	
Unquoted equity shares	2,324	2,372	Earnings growth rate (CAGR)	10.00%	10.00%	"2019: Increasing/decreasing the earnings growth factor by 100bps would increase/decrease the FV by Rs. 166 lakhs 2018: Increasing/decreasing the earnings growth factor by 100bps would increase/decrease the FV by Rs. 210 lakhs"
			Risk adjusted discount rate	11.37%	10.94%	"2019: Increasing/decreasing the discount rate by 100bps would decrease/increase the FV by Rs. 194 lakhs2018: Increasing/ decreasing the discount rate by 100bps would decrease/increase the FV by Rs. 186 lakhs"
Contingent consideration	12,601	9,821	Expected cash outflows	15,127	11,483	"2019: If expected cash flows were 10% lower, the FV would decrease by Rs. 1,261 lakhs. 2018: If expected cash flows were 10% lower, the FV would decrease by Rs. 985 lakhs."
			Discount rate	7.53% - 21.80%	7.53% - 16.32%	"2019: A change in discount rate by 100bps would increase/ decrease the FV by Rs. 90 lakhs 2018: A change in discount rate by 100bps would increase/ decrease the FV by Rs. 87 lakhs"

(iv) Valuation technique used to determine fair value

The following methods and assumptions were used to estimate the fair value of the level 2 financial instruments included in the above tables:

Derivative instruments: The Company enters into foreign currency forward contracts with banks with investment grade credit ratings. These are valued using the forward pricing valuation technique, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot and forward rates. As at March 31, 2019, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

The main level 3 inputs for unquoted equity instruments and contingent consideration, used by the Group are derived and evaluated as follows:

1. Unquoted Equity instruments are valued based on expected cash flows discounted using weighted average cost of capital.

2. Contingent consideration : Fair value of contingent consideration is based on management's assessment of probable consideration payable discounted using weighted average cost of capital.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(v) As per Ind AS 107 "Financial Instrument:Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash equivalent
3. Other bank balances
4. Security deposits
5. Amount deposited under protest
6. Unbilled revenue
7. Interest accrued on deposits
8. Borrowings
9. Trade payables
10. Capital creditors
11. Unclaimed dividends
12. Accured salaries and benefits
13. Book overdrafts
14. Other payables

26 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(a) Market Risk

(i) Foreign currency risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States, South Africa, United Kingdom and elsewhere, and purchases from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies. The Group evaluates exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Group follows established risk management policies, to hedge forecasted cash flows denominated in foreign currency. The Group has designated certain derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

aa The Group's exposure to foreign currency risk as of March 31, 2019 expressed in INR lakhs, is as follows:

Particulars	As at March 31, 2019					
	USD	GBP	ZAR	EUR	Other currencies	Total
Financial assets						
Cash and cash equivalents	370	82	-	146	166	**764**
Trade receivables	3,887	116	4,319	1,291	741	**10,354**
Other assets	1,548	950	167	370	328	**3,362**
Financial liabilities						
Trade payables	270	97	3	22	19	**411**
Employee benefit obligations	-	19	-	-	-	**19**
Other liabilities	6,669	47	2	3	115	**6,836**
Net assets / (liabilities)	**(1,136)**	**985**	**4,481**	**1,782**	**1,101**	**7,213**

ab The Group's exposure to foreign currency risk as of March 31, 2018 expressed in INR lakhs, is as follows:

Particulars	As at March 31, 2018					
	USD	GBP	ZAR	EUR	Other currencies	Total
Financial assets						
Cash and cash equivalents	1,029	237	2,106	490	742	**4,604**
Trade receivables	2,227	87	346	144	600	**3,404**
Other assets	989	-	41	492	82	**1,604**
Financial liabilities						
Trade payables	147	80	443	15	1,141	**1,826**
Employee benefit obligations	-	19	203	-	56	**278**
Other liabilities	7,207	40	130	6	66	**7,449**
Net assets / (liabilities)	**(3,109)**	**185**	**1,717**	**1,105**	**161**	**59**

ac Sensitivity

For the year ended March 31, 2019 and March 31, 2018, every percentage point appreciation/depreciation in the exchange rate would have affected the Company's operating margins respectively:

- INR/USD by approximately 0.19% and 0.35%,
- INR/ZAR by approximately 0.07% and 0.09%,
- INR/GBP by approximately 0.02% and 0.02%,
- INR/EUR by approximately 0.00% and 0.01%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into reporting currency, due to every percentage point appreciation/depreciation in the exchange rates."

ad Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Notes to the Consolidated Financial Statements

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(All amounts in INR Lakhs, unless otherwise stated)

The following table gives details in respect of outstanding foreign exchange contracts:

Particulars	As at 31, 2019		As at 31, 2018	
	Amount of contracts in lakhs	Fair Value – Gain / (Loss) (INR in lakhs)	Amount of contracts in lakhs	Fair Value Gain / (Loss) (INR in lakhs)
Derivatives designated as cash flow hedges				
Forward contracts				
In USD	261	296	100	109
In GBP	35	149	17	(98)
In ZAR	458	168	345	(60)
Total forwards		**613**		**(49)**

The foreign exchange forward contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one month	126	18
Later than one month and not later than three months	321	(27)
Later than three months and not later than one year	167	(40)

During the year ended March 31, 2019, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sale transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance at the beginning of the year	(27)	1,009
Gain / (loss) recognised in OCI during the year	657	(1,593)
Tax impact on above	(230)	557
Balance at the end of the year	**400**	**(27)**

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Variable rate borrowings	29,391	-
Fixed rate borrowings	-	-
Total borrowings	**29,391**	**-**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	As at 31 March, 2019	As at 31 March, 2018
Interest rates - increase by 50 basis points (50 bps)	(147)	-
Interest rates - decrease by 50 basis points (50 bps)	147	-

(b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 87,621 lakhs and Rs. 64,226 lakhs as of March 31, 2019 and March 31, 2018, respectively and unbilled revenue amounting to Rs. 37,659 lakhs and Rs. 30,468 lakhs as of March 31, 2019 and March 31, 2018, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located in the United States, South Africa, United Kingdom and elsewhere. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of IND AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors and company's historical experience for customers.

ba The following table gives details in respect of percentage of revenues generated from top customer and top five customers, other than related parties:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Revenue from top customer	25.35%	25.05%
Revenue from top five customers	37.55%	36.29%

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was Rs. 10,331 lakhs and Rs. 7,781 lakhs respectively. The increase in allowance for expected credit losses on customer balances for the year ended March 31, 2019 and March 31, 2018 was Rs. 3,716 lakhs and Rs.5,480 lakhs respectively.

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance at the beginning of the year	7,781	5,193
Allowance for doubtful debts	3,716	5,480
Reversal of allowance for doubtful debts	(1,348)	(2,954)
Translation differences	182	62
Balance at the end	**10,331**	**7,781**

bc Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2019, cash and cash equivalents are held with major banks and financial institutions.

ca **The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.**

Particulars	As at March 31, 2019				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	25,781	15,560	10,221	-	25,781
Trade payables	30,095	30,095	-	-	30,095
Other liabilities	31,435	27,278	4,157	-	31,436

Particulars	As at March 31, 2018				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	595	-	595	-	595
Trade payables	18,393	18,393	-	-	18,393
Other liabilities	22,350	16,149	6,201	-	22,350

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

27 Capital management

(a) Risk management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 12 (a) & 12 (b) and 6 (d) offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

28 Segment information

The Board of Directors examines the Group's performance based on the services, products and geographic perspective and has identified below mentioned reportable segments of its business as follows:

Application Management Services (AMS) : Custom Applications Management Services that include Application Development, Maintenance, Support, Modernization and Testing Services across a wide technology spectrum and Industry verticals.

Infrastructure Management Services (IMS) : Infrastructure management services includes Hybrid IT, Digital workplace, Dynamic Security and Unified IT provided under manged service platform using automation, autonomics and machine learning.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Income and expenditure in relation to segments is categorised based on items that are individually identifiable to the segment, marketing costs are allocated based on revenue and the remainder of the costs are allocated based on resources. Certain expenses like depreciation are not specifically allocable to a segment as the underlying assets are used interchangeably.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Year ended March 31, 2019

Particulars	AMS	IMS	Total
Revenue from external customers	334,692	61,941	396,633
Segment profit	46,602	3,968	50,570

Particulars	AMS	IMS	Total
A. Segment Assets			
Trade Receivables	72,964	14,657	87,621
Inventories	-	9,846	9,846
Unbilled Revenue	31,753	5,906	37,659
Goodwill	41,728	18,582	60,310
Unallocable Assets			113,536
TOTAL ASSETS			**308,972**
B. Segment Liabilities			
Unearned Revenue	5,678	3,747	9,425
Unallocable Liabilities			103,615
Total Liabilities			**113,040**

Year ended March 31, 2018

Particulars	AMS	IMS	Total
Revenue from external customers	259,118	51,656	310,774
Segment profit	38,638	(599)	38,039

Particulars	AMS	IMS	Total
A. Segment Assets			
Trade Receivables	53,256	10,970	64,226
Inventories	-	10,600	10,600
Unbilled Revenue	26,122	4,346	30,468
Goodwill	24,716	17,518	42,234
Unallocable Assets			82,114
TOTAL ASSETS			**229,642**
B. Segment Liabilities			
Unearned Revenue	6,001	3,277	9,278
Unallocable Liabilities			52,109
Total Liabilities			**61,387**

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed at group basis. Also, Current tax, deferred taxes are not allocated to those segments as they are also managed on a group basis.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Reconciliations to amounts reflected in the financial statements

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Segment profit	19	50,570	38,039
Finance income	19	545	671
Fair value gain on financial assets at fair value through profit or loss	21	(1,796)	720
Finance costs		(3,729)	(2,267)
Unallocated expenses net of other income		(1,051)	(2,006)
Profit before tax		**44,538**	**35,157**

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognised.

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
United States of America	298,137	221,438
United Kingdom	56,850	43,278
Rest of the World	41,646	46,058
Total	**396,633**	**310,774**

Revenue of approximately Rs.1,00,500 lakhs (March 31, 2018- Rs 77,839 lakhs) are derived from single external customer. These revenue are attributed to the AMS and IMS segment.

Management believes that currently it is not practicable to provide disclosures of assets by geographical location, as meaningful segregation of the available information is onerous.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

29 Interests in other entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2019 are set below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business

Name of Entity	Place of Business/ Country of Incorporation	Proportion of Ownership interest & voting power		Ownership interest held by non-controlling interests	
		Amount As at March 31, 2019 %	Amount As at March 31, 2018 %	As at March 31, 2019 %	As at March 31, 2018 %
Zensar Technologies (Singapore) Pte. Limited	Singapore	100	100	-	-
Zensar Info Technologies (Singapore) Pte. Limited (refer note (iii) below)	Singapore	100	100	-	-
Foolproof (SG) Pte Limited	Singapore	100	100	-	-
Zensar (Africa) Holdings Proprietary Limited	South Africa	100	100	-	-
Zensar (South Africa) Proprietary Limited	South Africa	75	75	25	25
Zensar Technologies (Shanghai) Company Limited	China	100	100	-	-
Zensar Technologies (UK) Limited	United Kingdom	100	100	-	-
Foolproof Limited	United Kingdom	100	100	-	-
Flow Interactive Limited (refer note (ii) below)	United Kingdom	-	-	-	-
Knit Limited	United Kingdom	100	100	-	-
Zensar Technologies, Inc.	United States of America	100	100	-	-
PSI Holding Group, Inc.	United States of America	100	100	-	-
Zensar Technologies IM, Inc.	United States of America	100	100	-	-
Keystone Logic Inc. (refer note (i) below)	United States of America	100	100	-	-
Cynosure Inc (refer note (vi) below)	United States of America	100	-	-	-
Indigo Slate Inc (refer note (vii) below)	United States of America	100	-	-	-
Professional Access Limited	United States of America	100	100	-	-
Keystone Logic Mexico, S. DE R.L. DE C.V (refer note (v) below)	Mexico	100	-	-	-
Keystone Technologies Mexico, S. DE R.L. DE C.V (refer note (v) below)	Mexico	100	-	-	-
Zensar Advanced Technologies Limited	Japan	Refer note (viii) below	Refer note (viii) below	-	-
Cynosure APAC Pty Ltd (refer note (vi) below)	Australia	100	-	-	-
Zensar Technologies IM B.V.	Netherlands	100	100	-	-
Zensar Information Technologies Limited (refer note 39)	India	-	100	-	-
Cynosure Interface Services Private Limited (refer note (vi) below)	India	100	-	-	-
Zensar IT Services Limited (refer note (iv) below)	India	100	100	-	-
Zensar Software Technologies Limited (refer note 39)	India	-	100	-	-

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Notes:

(i) 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. 4,987 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. 8,000 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.

(ii) Flow Interactive Limited, a 100% subsidiary of Foolproof Limited, was voluntary liquidated on November 7, 2017

(iii) Zensar Technologies (Singapore) Pte. Limited incorporated a new 100% subsidiary in Singapore namely Zensar Info Technologies (Singapore) Pte. Limited on September 5, 2017.

(iv) During FY 2017-18, the company incorporated 100% subsidiaries in India namely Zensar IT Services Limited.

(v) During FY 2018-19, the company incorporated 100% subsidiaries in Mexico namely Keystone Logic Mexico, S. DE R.L. DE C.V and Keystone Technologies Mexico, S. DE R.L. DE C.V.

(vi) 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. 1,300 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. 20,150 lakhs (USD 31 million) payable upfront and balance amount of Rs. 18,200 lakhs (USD 28 million) being earn-outs, subject to performance targets over 24 months. The above mentioned acquisitions has been consummated in April 2018.

(vii) 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. 12,348 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.

(viii) Zensar Advance Technologies Limited (company's 100% subsidiary in Japan), has been voluntarily liquidated as per the local laws in Japan. The company has received RBI approval for writing off investments from the books of account and accordingly have written off the investment.

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests that are material to the Group.

The amount disclosed are before inter-company eliminations

Summarised Balance sheet	Zensar (South Africa) Proprietary Limited	
	As at 31 March, 2019	As at 31 March, 2018
Current assets	14,863	15,875
Current liabilities	13,121	11,894
Net current assets	**1,742**	**3,981**
Non-current assets	2,603	180
Non-current liabilities	-	-
Net non-current assets	**2,603**	**180**
Net assets	**4,345**	**4,161**
Accumulated NCI	**1,696**	**1,365**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(c)

Summarised statement of profit and loss	Zensar (South Africa) Proprietary Limited	
	Year ended 31 March, 2019	Year ended 31 March, 2018
Revenue	30,923	24,961
Profit for the year	2,022	1,984
Other comprehensive income	701	514
Total Comprehensive income	**2,723**	**2,498**
Profit allocated to NCI	**506**	**496**

(d)

Summarised cash flows	Zensar (South Africa) Proprietary Limited	
	Year ended 31 March, 2019	Year ended 31 March, 2018
Net cash inflow/(outflow) for the year	**(671)**	**(2,568)**

(e) Aquila Technology Corp (Aquila) was acquired by Zensar Technologies Inc. as part of the group acquisition of PSI Holding Group Inc (PSI) in 2010.

A service agreement between Aquila and a customer of Aquila required independence, separation of its operations and lack of interdependence of Aquila on its related affiliates/parent. Accordingly, this led to loss of control over Aquila for the Group as the Group has no ability to direct the relevant activities of and exercise control over Aquila. Therefore Aquila is not considered as a subsidiary of PSI within the definition prescribed under Ind AS 110 and hence not consolidated by the Group

(f) Statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries under the first proviso to sub-section (3) of section 129 (Form AOC-1) - Refer Annexure - I.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

30 Related party disclosures

A List of related parties

(i) List of subsidiaries

Refer to note 29 (a)

(ii) Other related parties with whom transactions have taken place during the current and previous year

(a) Key Management Personnel

Reconciliation of profit	Designation	Tenure
H.V Goenka	Chairman	
S.Balasubramaniam	Chief Financial Officer	Upto January 15, 2017
Nilesh Limaye	Company Secretary	Upto January 31, 2018
Sandeep Kishore	Chief Executive Officer and Managing Director	
Manoj Jaiswal	Chief Financial Officer	From January 16, 2017 to December 4, 2017
Navneet Khandelwal	Chief Financial Officer	W.e.f January 18, 2018
Gaurav Tongia	Company Secretary	W.e.f February 01, 2018
A.T. Vaswani	Non-Executive Director	
Arvind Agrawal	Non-Executive Director	
Venkatesh Kasturirangan	Non-Executive Director	
Sudip Nandy	Non-Executive Director	
Shashank Singh	Non-Executive Director	
Madhabi Puri Buch	Non-Executive Director	Upto April 3, 2017
Ben Druskin	Non-Executive Director	W.e.f November 03, 2017
Ketan Dalal	Non-Executive Director	W.e.f November 03, 2017
Tanuja Randrey	Non-Executive Director	W.e.f January 18, 2018
Harsh Mariwala	Non-Executive Director	W.e.f January 18, 2018
Anant Goenka	Non-Executive Director	W.e.f January 21, 2019

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(b) Entities where Key management personnel either have significant influence or are members of key management personnel of that entity:

RPG Enterprises
Harrisons Malayalam Limited
KEC International Limited
RPG Life Sciences Limited
RPG Art Foundation
CEAT Speciality Tyres Limited
RPG Foundation
CEAT Limited

(c) Entities which have the ability to exercise influence / significant influence over the company:

Swallow Associates LLP
Summit Securities Limited
Marina Holdco (FPI) Ltd.
Instant Holdings Limited
Sofreal Mercantrade Private Limited
Other Promoter / Promoter Group entities (shareholding individually less than 1%)

(d) Post employment benefit plans:

Zensar PF Trust
Zensar Gratuity trust
Zensar Superannuation Trust
refer note 15 for information on transactions with post-retirement plans mentioned above

Notes to the Consolidated Financial Statements
as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

B Transactions with Related Parties

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2019	March 31, 2018	March 31, 2019		March 31, 2018	
				Receivable	Payable	Receivable	Payable
A.	**Revenue from rendering services**						
(i)	RPG Life Sciences Limited	25	41	5	-	-	-
(ii)	RPG Enterprises	363	341	15	-	393	-
(iii)	CEAT Limited	-	130	3	-	153	-
(iv)	Harrisons Malayalam Limited	-	-	5	-	5	-
(v)	CEAT Speciality Tyres Limited	-	35	-	-	-	-
	Total of Revenue from rendering services	**388**	**547**	**28**	**-**	**551**	**-**
B.	**Other Income**						
(i)	KEC International Limited	-	-	0	-	0	-
(ii)	CEAT Limited	8	-	-	-	4	-
	Total of Other Income	**8**	**-**	**0**	**-**	**4**	**-**
C.	**Cost recharges debited to the company**						
(i)	RPG Enterprises	1,755	1,451	-	108	-	168
(ii)	CEAT Limited	-	7	-	-	-	-
(iii)	Harrisons Malayalam Limited	-	1	-	-	-	1
	Total of Cost recharges debited to the company	**1,755**	**1,459**	**-**	**108**	**-**	**168**

Sr. No.	Particulars	Transactions during year ended		Amount outstanding as at			
		March 31, 2019	March 31, 2018	March 31, 2019		March 31, 2018	
				Receivable	Payable	Receivable	Payable
D.	**Dividend on Equity Shares Paid**						
(i)	Swallow Associates LLP	1,453	1,453	-	-	-	-
(ii)	Summit Securities Limited	592	591	-	-	-	-
(iii)	Instant Holdings Limited	449	415	-	-	-	-
(iv)	Sofreal Mercantrade Private Limited	136	135	-	-	-	-
(v)	H.V Goenka	4	4	-	-	-	-
(vi)	S.Balasubramaniam	-	5	-	-	-	-
(vii)	Manoj Jaiswal	-	0	-	-	-	-
(viii)	A.T. Vaswani	1	1	-	-	-	-
(ix)	Harsh Mariwala	-	0	-	-	-	-
(x)	Marina Holdco (FPI) Ltd.	1,236	1,236	-	-	-	-
(xi)	Other Promoter / Promoter Group entities	5	32	-	-	-	-
	Total of Dividend on Equity Shares paid	**3,876**	**3,872**	**-**	**-**	**-**	**-**
E.	**Donations**				-	-	-
(i)	RPG Art Foundation	15	15	-	-	-	-
(ii)	RPG Foundation	419	329	**-**	-	-	-
	Total of Donations made	**434**	**344**	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

F. Compensation of Key management personnel #

Particulars		For the Year ended March 31, 2019					
		Sandeep Kishore	S. Balasubramaniam	Manoj Jaiswal	Navneet Khandelwal	Nilesh Limaye	Gaurav Tongia
1	Short Term Benefits	14	-	-	142	-	48
2	Post-Employment Benefits	2	-	-	4	-	2
3	Long-term Employee benefits	-	-	-	-	-	-
4	Prequisite value of Employee Stock options	-	-	-	-	-	-
	Total of Compensation of Key management personnel#	**16**	**-**	**-**	**146**	**-**	**50**
	Outstanding as on March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**

doesn't include the provision for Gratuity and Leave Encashment as these are provided at the company level.

Particulars		For the Year ended March 31, 2018					
		Sandeep Kishore	S. Balasubramaniam	Manoj Jaiswal	Navneet Khandelwal	Nilesh Limaye	Gaurav Tongia
1	Short Term Benefits	## 13	45	117	51	40	15
2	Post-Employment Benefits	2	63	4	1	7	1
3	Long-term Employee benefits	-	-	1	-	3	-
4	Prequisite value of Employee Stock options	-	-	-	-	-	-
	Total of Compensation of Key management personnel	**15**	**108**	**122**	**52**	**50**	**16**
	Outstanding as on March 31, 2018	**-**	**-**	**-**	**7**	**-**	**3**

Directors Fees & Commission	For the year ended March 31, 2019	For the year ended March 31, 2018
H.V Goenka	201	215
Anant Goenka	2	-
A.T. Vaswani	18	16
Arvind Agrawal	14	12
Venkatesh Kasturirangan	13	11
Madhabi Puri Buch	-	6
Sudip Nandy	16	14
Shashank Singh	16	13
Ben Druskin	5	3
Ketan Dalal	10	4
Tanuja Randrey	7	2
Harsh Mariwala	8	1
Total Directors Fees and Commission	**310**	**297**
Outstanding Payable	**294**	**250**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Stock Options of Key Management Personnel's

Particulars	Year ended March 31, 2019				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	1,25,000	10,00,000	1,25,000	-	10,00,000
Navneet Khandelwal	-	90,000	-	-	90,000

Particulars	Year ended March 31, 2018				
	Options Opening Balance	Options granted	Options Cancelled	Options exercised	Options outstanding
Sandeep Kishore	2,50,000	-	1,25,000	-	1,25,000
Nilesh Limaye	2,000	-	200	-	1,800
Navneet Khandelwal	-	-	-	-	-

The above table includes aggregate number of Stock options granted under the existing ESOP schemes of the company.

The total cancellation of 125000 stock options granted to Sandeep Kishore under 2006 ESOP, 100000 are on account of voluntary surrender.

Sandeep Kishore remuneration excludes Rs. 1,045 lakhs (previous year: Rs. 945 lakhs paid) as remuneration by Zensar Technologies Inc.

31 Impairment

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a Cash Generated Unit (CGU) or group of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

Goodwill movement:

Particulars	Amount
As on March 31, 2018	42,234
Add: Addition on acquisition (refer note 36 (b))	15,820
Add: Translation difference	2,256
As on March 31, 2019	60,310

Goodwill is measured by the management at operating segment level in case of IMS. Goodwill with respect to the AMS operating segment is further allocated to identified CGU.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

As at March 31, 2019 and March 31, 2018 goodwill has been allocated to the following operating segment:

Directors Fees & Commission	As at March 31, 2019	As at March 31, 2018
Infrastructure management services (IMS)	18,582	17,518
Application management services (AMS)	41,728	24,716
Total	**60,310**	**42,234**

The recoverable amount was computed based on value-in-use being higher than fair value less cost to sell. The carrying amount was computed by allocating the net assets to operating segments for the purpose of impairment testing. Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions. The average range of key assumptions used for the calculations are as follows:

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Terminal growth rate		
- IMS	2-4	3-4
- AMS	1.5-5	0-2
After tax discount rate		
- IMS	13-16	13-15
- AMS	10-26	10-18

Based on the above, no impairment was identified as of March 31, 2019 and March 31, 2018 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU or the IMS segment would fall below their respective carrying amounts.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

32 Contingent liabilities

	Particulars	As at 31 March, 2019	As at 31 March, 2018
(a)	Income Tax:		
	Matters decided in favour of the Company by appellate authorities, where the Income Tax Department is in further appeal.	986	980
	Matters on which the Company is in appeal	1,426	1,271
(b)	Sales Tax / Value Added Tax:		
	Claims against the Company regarding sales tax against which the Company has preferred appeals.	272	233
(c)	Claims against the Company regarding service tax against which the Company has preferred appeal.	11	11
(d)	Claim in respect of rented premises.	-	247
(e)	Claims against the Company not acknowledged as debts.	1,603	1,324
(f)	Corporate Guarantee	24,896	-
(g)	Bank Guarantees	1,893	2,775
(h)	Letter of credit	111	652

33 Commitments

(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Property plant and equipment	218	1,051
Intangible assets	56	108

(b) Non- cancellable operating leases

The Group has taken on lease certain facilities and equipment under operating lease arrangements that expire over the next five years. Rental expense incurred by the Company under operating lease agreements totalled approximately Rs. 8,216 lakhs (March 31, 2018 Rs. 7,987 lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Future minimum lease payments in respect of non-cancellable operating leases		
Not later than one year	3,191	2,680
Later than one year and not later than five years	7,862	2,974
Later than five years	836	-

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(c) Finance lease: Company as lessee

The Company has finance lease for data processing equipments. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are, as follows:

-Minimum lease payments	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	336	354
Later than one year but not later than five years	332	669
Later than five years	-	-
Total	**668**	**1,023**

-Present value of minimum lease payments	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	326	340
Later than one year but not later than five years	319	595
Later than five years		-
Total	**645**	**935**

-Reconciliation of minimum lease payments and present value	As at 31 March, 2019	As at 31 March, 2018
Minimum lease rentals payable	668	1,023
Less: Finance charges to be recognized in subsequent periods	23	88
Present value of minimum lease payments payable	645	935

34 Share based payments

(a) Employee Stock Option Plan, 2002 (2002 ESOP) and Employee Stock Option Plan, 2006 (2006 ESOP)

Under the 2002 ESOP and 2006 ESOP schemes, participants are granted options which vest equally over a period of 5 years from the date of grant. Participation in the plan is at the discretion of the Nomination and Remuneration Committee (NRC) and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

- The exercise price is determined based on the market price, being the closing price of the share on the stock exchange with higher trading volume on the day preceding the day of the grant of options. The scheme allows the NRC to set the exercise price at a premium or discount not exceeding 20% on the market price.
- The options remain exercisable for 10 years from the date of vesting and lapse if they remain unexercised during this period.
- Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Stock option activity under the "2002 ESOP" scheme is as follows:

Particulars	2018 - 2019		2017-2018	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	105,710	81.96	43,950	84.28
Granted during the year	-	-	-	-
Cancelled during the year	8,500	15.97	3,852	92.90
Exercised during the year	40,750	26.94	10,550	84.12
Expired during the year	4,125	-	8,406	-
Outstanding at the end of the year	52,335	17.00	21,142	81.96
Adjusted outstanding option#	-	-	105,710	-
Exercisable at the end of the year	52,335	-	21,142	-

Stock option activity under the "2006 ESOP" scheme is as follows:

Particulars	2018 - 2019		2017-2018	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	1,473,900	448.99	788,678	607.17
Granted during the year	-	-	-	-
Cancelled during the year	190,470	128.00	375,452	712.79
Exercised during the year	193,730	99.00	105,900	234.83
Expired during the year	-	-	12,546	-
Outstanding at the end of the year	1,089,700	85.00	294,780	448.99
Adjusted outstanding option#	-	-	1,473,900	-
Vested and Exercisable at the end of the year	918,700	-	200,380	-

(b) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Vesting would happen on or after 1 (one) year but not later than 5 (five) years from the date of grant of such PAUs or any other period as may be determined by the Nomination and Remuneration Committee (the Committee) and is subject to achievement of performance targets, set out in the Grant letter and/or the Scheme/prescribed by the Committee. The exercise price is Rs. 2 per unit and all vested units need to be exercised at any time within the period determined by the Committee from time to time, subject to a maximum period of two and half months from the end of calendar year in which Vesting happens for the respective PAUs.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Stock option activity under the "EPAU 2016" scheme is as follows:

Particulars	2018 - 2019		2017-2018	
	Number of options	Weighted average exercise price per option (Rs.)	Number of options	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	1,527,525	2	253,818	-
Granted during the year	3,055,805	2	70,000	10
Cancelled during the year	1,537,525	2	18,313	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,045,805	2	305,505	10
Adjusted outstanding option#	-	-	1,527,525	2
Vested and exercisable at the end of the year	-	-	-	-

(c) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Share based payment scheme	Grant year	Range of exercise prices	Expiry year	Share options as at	
				31 March, 2019	31 March, 2018
2006 scheme	FY 2006-2009	50 - 150	FY 2022-2024	2,000	1,200
	FY 2010-2013	50 - 275	FY 2025-2028	379,120	88,572
	FY 2014-2017	250 - 1100	FY 2029-2032	708,580	205,008
Weighted average remaining contractual life of options outstanding at the end of the year				**7.74 years**	**8.58 years**
2002 scheme	FY 2002-2005	30 - 80	FY 2018-2020	-	2,500
	FY 2006-2009	60 - 130	FY 2021-2024	52,335	18,642
Weighted average remaining contractual life of options outstanding at the end of the year				**1.77 years**	**1.90 years**
EPAU, 2016	FY 2016-2017	5-10	FY 2020-2023	15,000	235,505
	FY 2017-2018	5-10	FY 2021-2023	3,030,805	70,000
Weighted average remaining contractual life of options outstanding at the end of the year				**2.95 years**	**3.45 years**

(d) Fair value of options granted

The fair value of the options at the grant date is determined using Black Scholes Model/Binomial Model which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

The following tables illustrate the model inputs for options granted during the year ended March 31, 2019 and the resulting fair value of the options at the various grant dates:

(i) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Particulars	Grant date							
	20-Jul-17		24-Nov-17		17-Jan-18		19-Jul-18	23-Oct-18
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 1
Expected Life (years) *	2.2	4.2	3.16	5.16	3.58	5.58	3.31	3.04
Volatility (%) **	36.8	36.33	34.03	34.07	35.16	33.51	34.06	32.96
Riskfree rate (%)	6.2	6.46	6.61	6.89	7.25	7.43	7.72	7.65
Exercise price (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	2.00
Dividend yield (%)	1.5	1.5	1.43	1.43	1.43	1.43	0.57	0.53
Fair value per vest	762.94	741.23	835.77	813.09	849.14	826.13	1200.00	260.16
Vest %							100.00	100.00
Option fair value	**749.91**		**822.16**		**835.34**		**1200.00**	**260.16**

* The scheme allows for a maximum and minimum vesting of 70 % and 40 % on the first vesting date - 36 months after the date of grant and a maximum and minimum cumulative vesting of 220 % and 100 % at the final vesting date- 60 months from the date of grant depending upon the achievement of specified financial parameters. The expected life considered for valuation is based on management's estimate of the timing and quantum of achievement of the financial parameters between the two specified vesting dates.

** The expected price volatility is based on the historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Adjusted due to split of share in the ratio of 5:1

35 Earnings per share

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profits attributable to equity shareholders (Rs. in lakhs)	31,359	24,153
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	225,061,245	224,653,475
Basic EPS (Rs.)	**13.93**	**10.75**
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	225,061,245	224,653,475
Effect of dilutive issue of stock options (In no's)	3,784,359	2,355,540
Weighted average number of equity shares outstanding for diluted EPS (In no's)	228,845,604	227,009,015
Diluted EPS (Rs.)	**13.70**	**10.64**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

36 Business Combination

(a) Business combination occurring in the previous financial year:

The Group 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. 4,987 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. 8,000 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.

Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

Particulars	Fair Value
Cash paid	8,841
Contingent consideration*	6,150
Total purchase consideration	**14,991**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Intangible asset- Non compete agreements	222
Intangible asset- Customer relationship	4,864
Intangible asset- Brand	162
Intangible asset- Customer contracts	329
Data processing equipments	130
Other net current assets	494
Net identifiable assets acquired	**6,201**
Goodwill**	**8,790**

*contingent consideration is payable on achievement of pre-determined financial targets. As at March 31, 2018, management has estimated that these targets will be met and valued the consideration by applying a discount rate of 18%.

**Goodwill is not deductible for income tax purposes.

(b) Business combination occurring in the current reporting period:

(i) 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. 1,300 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. 20,150 lakhs (USD 31 million) payable upfront and balance amount of Rs. 18,200 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 year ended March 31, 2019 include the results of Cynosure Group (Revenue from operations of Rs. 17,512 lakhs & Profit before tax of Rs. 4,580 lakhs).

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

Particulars	Fair Value
Cash paid	22,455
Total purchase consideration	**22,455**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Intangible asset- Non compete agreements	614
Intangible asset- Customer relationship	7,339
Intangible asset- Brand	1,900
Other net assets	2,317
Net identifiable assets acquired	**12,170**
Goodwill	**10,285**

ii 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. 12,348 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 year ended March 31, 2019 include the results of Indigo Slate (Revenue from operations of Rs. 12,189 lakhs & Profit before tax of Rs. 2,041 lakhs).

If the above mentioned acquisition was consummated on April 1, 2018, the consolidated revenue from operations for the year ended March 31, 2019 would have been Rs. 402,119 lakhs & consolidated profit before tax for the year ended March 31, 2019 would have been Rs. 31,762 lakhs.

Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

Particulars	Fair Value
Cash paid	11,716
Contingent consideration	5,811
Total purchase consideration	**17,527**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Intangible asset- Non compete agreements	501
Intangible asset- Customer relationship	11,416
Other net assets	75
Net identifiable assets acquired	**11,993**
Goodwill	**5,535**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

37 Additional information required by Schedule III

Name of the Entity	Net Asset i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of Consolidated Other OCI	Amount (Rs. In Lakhs)	As % of Total Consolidated TCI	Amount (Rs. In Lakhs)
Parent								
Zensar Technologies Limited								
March 31, 2019	75.7%	147,084	82.3%	25,800	100.8%	538	82.6%	26,338
March 31, 2018	75.1%	125,291	79.7%	19,258	-35.0%	(613)	72.0%	18,645
Foreign subsidiaries								
1. Zensar Technologies Inc.								
March 31, 2019	24.5%	47,496	13.0%	4,085	475.1%	2,538	20.8%	6,623
March 31, 2018	24.5%	40,874	14.2%	3,435	11.6%	203	14.0%	3,638
2. PSI Holding Group, Inc.								
March 31, 2019	1.4%	2,703	0.0%	(7)	4.2%	22	0.0%	15
March 31, 2018	0.2%	364	0.1%	17	-12.8%	(225)	-0.8%	(208)
3. Zensar Technologies IM, Inc								
March 31, 2019	3.1%	6,101	-9.4%	(2,963)	99.5%	531	-7.6%	(2,432)
March 31, 2018	5.1%	8,533	-3.2%	(784)	2.0%	35	-2.9%	(749)
4. Zensar Technologies IM, B.V.								
March 31, 2019	1.0%	1,886	1.6%	492	-17.1%	(91)	1.3%	401
March 31, 2018	0.9%	1,496	-0.1%	(27)	1.4%	25	0.0%	(2)
5. Professional Access Limited								
March 31, 2019	0.0%	61	-2.3%	(725)	20.7%	111	-1.9%	(614)
March 31, 2018	1.2%	2,013	0.5%	127	0.6%	11	0.5%	138
6. Zensar Technologies (Singapore) Pte Limited								
March 31, 2019	0.0%	29	-0.6%	(202)	8.5%	46	-0.5%	(156)
March 31, 2018	0.1%	224	-0.8%	(187)	1.1%	20	-0.6%	(167)
7. Zensar Technology (Shanghai) Company Limited								
March 31, 2019	-0.1%	(223)	-0.1%	(27)	-0.4%	(2)	-0.1%	(29)
March 31, 2018	-0.1%	(198)	0.0%	(3)	-1.1%	(19)	-0.1%	(21)
8. Zensar Technologies (UK) Limited								
March 31, 2019	11.3%	21,942	21.5%	6,744	-58.3%	(312)	20.2%	6,432
March 31, 2018	9.3%	15,510	9.9%	2,397	102.8%	1,800	16.2%	4,197
9. Foolproof Limited								
March 31, 2019	0.3%	637	-0.9%	(283)	14.0%	75	-0.7%	(208)
March 31, 2018	0.5%	845	0.8%	183	-6.3%	(110)	0.3%	73

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Name of the Entity	Net Asset i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consoli-dated net assets	Amount (Rs. In Lakhs)	As % of consol-idated profit or loss	Amount (Rs. In Lakhs)	As % of Consol-idated Other OCI	Amount (Rs. In Lakhs)	As % of Total Consol-idated TCI	Amount (Rs. In Lakhs)
10. Knit Ltd								
March 31, 2019	-0.3%	(679)	-0.1%	(24)	-11.1%	(59)	-0.3%	(83)
March 31, 2018	-0.4%	(597)	-0.3%	(82)	13.9%	244	0.6%	162
11. Flow Interactive Limited (refer note 29 (a))								
March 31, 2019	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
12. Foolproof (SG) Pte Limited								
March 31, 2019	0.1%	166	0.3%	107	0.4%	2	0.3%	109
March 31, 2018	0.0%	58	0.4%	108	0.2%	4	0.4%	112
13. Zensar (Africa) holdings (Pty) Limited								
March 31, 2019	-0.6%	(1,166)	3.0%	937	38.0%	203	3.6%	1,140
March 31, 2018	-0.9%	(1,443)	2.7%	651	-7.8%	(136)	2.0%	515
14. Zensar (South Africa) (Pty) Limited								
March 31, 2019	2.2%	4,345	6.4%	2,022	-131.2%	(701)	4.1%	1,321
March 31, 2018	2.5%	4,162	8.2%	1,984	26.6%	467	9.5%	2,451
15. Keystone logic Inc.								
March 31, 2019	0.6%	1,178	1.0%	318	17.2%	92	1.3%	410
March 31, 2018	0.9%	1,463	3.2%	761	0.9%	16	3.0%	777
16. Zensar Information Technologies Limited								
March 31, 2019	0.0%	-	0.1%	40	0.0%	-	0.1%	40
March 31, 2018	0.0%	52	0.0%	(8)	0.0%	-	0.0%	(8)
17. Zensar Software Technologies Limited								
March 31, 2019	0.0%	-	0.4%	115	0.0%	-	0.4%	115
March 31, 2018	0.0%	73	0.0%	(7)	0.0%	-	0.0%	(7)
18. Zensar Info Technologies (Singapore) Pte. Limited								
March 31, 2019	0.0%	35	0.0%	(1)	0.0%	0	0.0%	(1)
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
19.Cynosure APAC Pty. Ltd.								
March 31, 2019	0.0%	21	-0.2%	(52)	0.0%	-	-0.2%	(52)
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
20. Indigo Slate Inc								
March 31, 2019	0.8%	1,589	5.0%	1,559	-8.1%	(43)	4.8%	1,516
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Name of the Entity	Net Asset i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of Consolidated Other OCI	Amount (Rs. In Lakhs)	As % of Total Consolidated TCI	Amount (Rs. In Lakhs)
21. Cynosure Inc								
March 31, 2019	2.1%	4,089	6.7%	2,113	18.2%	97	6.9%	2,210
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
22. Cynosure Interface Services Private Limited								
March 31, 2019	0.2%	330	0.7%	211	0.0%	-	0.7%	211
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
23. Keystone Logic Mexico, S. DE R.L. DE C.V								
March 31, 2019	0.1%	150	0.4%	134	-0.2%	(1)	0.4%	133
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
24. Keystone Technologies Mexico, S. DE R.L. DE C.V								
March 31, 2019	0.0%	26	0.0%	8	0.1%	0	0.0%	8
March 31, 2018	0.0%	-	0.0%	-	0.0%	-	0.0%	-
25.Zensar IT Services Ltd.								
March 31, 2019	0.0%	-	0.0%	-	0.0%	-		-
March 31, 2018	0.0%	-	0.0%	-	0.0%	-		-
Adjustments arising out of consolidation								
March 31, 2019	-22.4%	(43,566)	-28.8%	(9,042)	-470.4%	(2,512)	-36.2%	(11,553)
March 31, 2018	-19.1%	(31,827)	-15.2%	(3,669)	1.7%	29	-14.1%	(3,640)
Total								
March 31, 2019	100.0%	194,236	100.0%	31,359	100.0%	534	100.0%	31,893
March 31, 2018	100.0%	166,890	100.0%	24,153	100.0%	1,751	100.0%	25,904
Non controlling Interest in Foreign Subsidiaries								
Zensar (South Africa) (Pty) Limited								
March 31, 2019	0.9%	1,696	1.6%	506	-48.7%	(175)	1.0%	331
March 31, 2018	0.8%	1,365	2.0%	496	6.8%	128	2.4%	624

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

38 Share based payments

The Group entered into a share subscription agreement between Zensar (Africa) Holdings Proprietary Limited (Zensar), Clusten 16 Proprietary Limited (SPE) and Zensar (South Africa) Proprietary Limited (the Company) on 18 October 2013, wherein SPE subscribed for 49,001 ordinary shares and 2,01,000 "A" class shares in the issued share capital of the Company ("Subscription Shares"), representing a 25% plus one share holding in the Company. The agreement assigned a total value of ZAR 35,750,000 to the subscription shares out of which the SPE paid ZAR 7,000,000 in cash and the balance of ZAR 28,750,000 was funded via a notional loan structure, accruing interest at a rate 9% per annum. This was to be reduced by dividends paid by the Company. This agreement grants Zensar a call option on the subscription shares, which can be exercised on the expiry of the lock in period of 7 years. In addition, SPE has the right to put its subscription shares to Zensar subject to the lock in period. The option on the subscription shares gives rise to the recognition of a cash settled share based payment liability.

The Group has accounted for this liability on fair value and the movement of such liability is accounted for in the statement of Profit and Loss.

The Black-Scholes model was used to determine the fair value of the liability and the following were the key inputs to the valuation:

Valuation assumptions

The inputs into the option pricing models are as follows:

· Term of the options

· Current / spot price

· Exercise / strike price

· Risk-free rate

· Volatility

· Dividend yield

39 The Company, 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.

The Company, 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 1.2 million) receivable upfront and deferred consideration of an amount upto Rs. 930 lakhs (USD 1.3 million) subject to novation of customer contracts over a period of 6 months.

For and on behalf of the Board of Directors of
Zensar Technologies Limited

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Navneet Khandelwal
Chief Financial Officer

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: April 30, 2019

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Annexure - 1
(FY 2018-19)

AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Name of the subsidiary	**Reporting period for the subsidiary concerned**	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsiaiaries**	**Share capital**	**Re-serves & surplus**	**Other com-ponents of equity**	**Total assets**	**Total Liabili-ties**	**Invest-ments**	**Turn-over**	**Profit before taxa-tion**	**Provi-sion for taxation**	**Profit after taxation**	**Pro-posed Dividend**	**% of share-holding**
1	Zensar Technologies Inc, USA	April 2018 -March 2019	USD Closing Rate 69.16	290	43,611	3,595	180,648	133,152	103,033	177,451	6,035	1,950	4,085	-	100%
2	Professional Access Limited, USA	April 2018 -March 2019	USD Closing Rate 69.16	0	-46	107	8,171	8,110	-	15,790	-946	-221	-725	-	100%
3	PSI Holding Group Inc, USA	April 2018 -March 2019	USD Closing Rate 69.16	0	250	2,453	2,710	7	2,324	-	-7	-	-7	-	100%
4	Zensar Technologies IM Inc, USA (erstwhile Akibia Inc.)	April 2018 -March 2019	USD Closing Rate 69.16	1	5,008	1,093	41,642	35,540	-	38,293	-3,441	-478	-2,963	-	100%
5	Zensar Technologies IM B.V., Netherlands (erstwhile Akibia B. V.)	April 2018 -March 2019	EUR Closing Rate 77.67	11	1,934	-59	14,738	12,852	-	4,425	513	21	492	-	100%
6	Zensar Technologies (Shanghai) Co. Ltd, China **	April 2018 -March 2019	CNY Closing Rate 10.29	505	-720	-8	204	427	-	-	-27	-	-27	-	100%
7	Zensar Technologies (Singapore) Pte Ltd.	April 2018 -March 2019	SGD Closing Rate 51.04	78	-137	88	136	107	38	55	-202	-	-202	-	100%
8	Zensar (South Africa) Proprietary Limited , South Africa	April 2018 -March 2019	ZAR Closing Rate 4.77	449	4,106	-210	17,467	13,122	-	30,923	2,784	762	2,022	-	75%
9	Zensar (Africa) Holdings Proprietary Limited , South Africa	April 2018 -March 2019	ZAR Closing Rate 4.77	61	-1,343	116	392	1,558	44	-	940	3	937	-	100%

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Name of the subsidiary	Reporting period for the subsidiary concerned	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsiaiaries	Share capital	Reserves & surplus	Other components of equity	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
10	Zensar Technologies (UK) Limited, UK	April 2018 -March 2019	GBP Closing Rate 90.53	39	21,773	130	47,205	25,263	9,762	59,747	7,936	1,192	6,744	-	100%
11	Foolproof Ltd. UK	April 2018 -March 2019	GBP Closing Rate 90.53	1	561	75	4,295	3,658	-	9,259	-321	-38	-283	-	100%
12	Knit Ltd. UK	April 2018 -March 2019	GBP Closing Rate 90.53	1	-620	-60	38	717	-	106	-23	1	-24	-	100%
13	Foolproof (SG) Pte. Ltd, Singapore.	April 2018 -March 2019	SGD Closing Rate 51.04	25	139	2	845	679	-	1,464	117	10	107	-	100%
14	Keystone Logic Inc. USA	April 2018 -March 2019	USD Closing Rate 69.16	32	1,038	108	7,434	6,256	-	20,338	852	533	318	-	100%
15	Zensar Information Technologies Ltd.	April 2018 -January 2019	INR	-	-	-	-	-	-	350	57	17	40	-	100%
16	Zensar Software Technologies Ltd.	April 2018 -January 2019	INR	-	-	-	-	-	-	250	169	54	115	-	100%
17	Zensar Info Technologies (Singapore) Pte Ltd	April 2018 -March 2019	SGD Closing Rate 51.04	38	-3	-0	47	12	-	-	-1	-	-1	-	100%
18	Cynosure Inc. Nevada USA	April 2018 -March 2019	USD Closing Rate 69.16	6	3,988	95	7,671	3,582	0	17,427	2,805	692	2,113	-	100%
19	Cynosure APAC Pty. Ltd.	April 2018 -March 2019	AUD Closing Rate 49.02	0	19	2	55	34	-	85	-64	-11	-52	-	100%
20	Cynosure Interface Services Private Ltd.	April 2018 -March 2019	INR	10	320	-	598	268	-	1,342	301	90	211	-	100%
21	Keystone Logic Mexico, S. DE R.L. DE C.V., Mexico	Jun 2018 -March 2019	MXN Closing Rate 3.57	17	134	-1	522	372	-	485	192	58	134	-	100%

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Name of the subsidiary	Reporting period for the subsidiary concerned	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsiaiaries	Share capital	Re-serves & surplus	Other com-ponents of equity	Total assets	Total Liabili-ties	Invest-ments	Turn-over	Profit before taxa-tion	Provi-sion for taxation	Profit after taxation	Pro-posed Dividend	% of share-holding
22	Keystone Tech-nologies Mexico, S. DE R.L. DE C.V., Mexico	Jun 2018 -March 2019	MXN Closing Rate 3.57	17	8	1	301	275	-	293	12	4	8	-	100%
23	Indigo Slate Inc., Bellevue, WA, USA	August 2018 -March 2019	USD Closing Rate 69.16	2	1,631	-44	4,146	2,557	-	12,189	2,041	482	1,559	-	100%
24	Zensar IT ser-vices Ltd.	April 2018 -March 2019	INR	-	-	-	-	-	-	-	-	-	-	-	100%

** Zensar Technologies (Shanghai) Co. Ltd, China local reporting period is from 1st January 2018 to 31st December 2018. However it has been consolidated from 1st April 2018 to 31st March 2019.

Notes :

1. Name of subsidiary yet to commence operations — Zensar IT Services Ltd.
2. Name of subsidiaries which have been liquidated or sold during the year — Zensar Information Technologies Ltd.
Zensar Software Technologies Ltd.
Cynosure Inc UK Ltd
3. Aquila Tech Corp (Aquila) has not been included in the above statement (Refer Note No. 29e)

Part "B": Associates and Joint Ventures is not applicable to the Company as the Company does not have any Associate Companies and Joint Ventures

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(FY 2017-18)
AOC - 1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in Rs. in Lakhs)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Name of the subsidiary	**Reporting period for the subsidiary concerned**	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsiaiaries**	**Share capital**	**Reserves & surplus**	**Other components of equity**	**Total assets**	**Total Liabilities**	**Investments**	**Turnover**	**Profit before taxation**	**Provision for taxation**	**Profit after taxation**	**Proposed Dividend**	**% of shareholding**
1	Zensar Technologies Inc, USA	April 2017 -March 2018	USD Closing Rate 65.18	290	39,526	1,058	114,125	73,251	59,176	147,145	6,834	3,398	3,436	-	100%
2	Professional Access Limited, USA	April 2017 -March 2018	USD Closing Rate 65.18	0	2,016	-3	11,931	9,918	-	26,249	384	257	127	-	100%
3	PSI Holding Inc, USA	April 2017 -March 2018	USD Closing Rate 65.18	0	257	2,479	2,755	19	2,372	-	36	19	17	-	100%
4	Zensar Technologies IM Inc, USA (erstwhile Akibia Inc.)	April 2017 -March 2018	USD Closing Rate 65.18	1	7,971	561	32,247	23,714	-	33,342	-1,955	-1,172	-783	-	100%
5	Zensar Technologies IM B.V., Netherlands(erstwhile Akibia B. V.)	April 2017 -March 2018	EUR Closing Rate 80.81	11	1,305	180	13,072	11,576	-	5,040	-27	1	-26	-	100%
6	Zensar Technologies (Shanghai) Co. Ltd, China **	April 2017 -March 2018	CNY Closing Rate 10.38	505	-697	-6	215	413	-	-	-3	0	-3	-	100%
7	ZENSAR TECHNOLOGIES (SINGAPORE) PTE LTD.	April 2017 -March 2018	SGD Closing Rate 49.82	78	104	42	304	80	37	418	-187	0	-187	-	100%
8	Zensar (South Africa) Proprietary Limited , South Africa	April 2017 -March 2018	ZAR Closing Rate 5.58	449	3,222	490	15,936	11,775	-	24,961	2,774	790	1,984	-	100%
9	Zensar (Africa) Holdings Proprietary Limited , South Africa	April 2017 -March 2018	ZAR Closing Rate 5.58	61	-1,417	-87	141	1,584	44	-	655	4	651	-	75%
10	Zensar Technologies (UK) Limited, UK	April 2017 -March 2018	GBP Closing Rate 92.28	39	15,030	442	34,385	18,874	9,951	36,844	3,063	666	2,397	-	100%
11	Foolproof Ltd. UK	April 2017 -March 2018	GBP Closing Rate 92.28	1	844	89	4,527	3,593	-	8,684	229	43	186	-	100%
12	Knit Ltd. UK	April 2017 -March 2018	GBP Closing Rate 92.28	1	-597	-72	427	1,095	-	557	-83	-1	-82	-	100%

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2019 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Name of the subsidiary	**Reporting period for the subsidiary concerned**	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsiaiaries**	**Share capital**	**Reserves & surplus**	**Other components of equity**	**Total assets**	**Total Liabilities**	**Investments**	**Turnover**	**Profit before taxation**	**Provision for taxation**	**Profit after taxation**	**Proposed Dividend**	**% of shareholding**
13	Foolproof (SG) Pte. Ltd, Singapore.	April 2017 -March 2018	GBP Closing Rate 92.28	25	31	1	791	734	-	1,128	109	2	107	-	100%
14	Keystone Logic Inc. USA	April 2017 -March 2018	USD Closing Rate 65.18	33	1,414	16	4,523	3,060	-	14,079	961	200	761	-	100%
15	Zensar Information Technologies Ltd.	Sept. 2017 -March 2018	INR	60	-8	-	55	3	-	-	-8	-	-8	-	100%
16	Zensar Software Technologies Ltd.	Sept. 2017 -March 2018	INR	80	-7	-	77	4	-	-	-7	-	-7	-	100%
17	Zensar Info Technologies (Singapore) Pte Ltd	Sept. 2017 -March 2018	SGD Closing Rate 49.82	37	-2	-0	47	12	-	-	-2	-	-2	-	100%
18	Zensar IT Services Ltd.	Jan 2018 -March 2018	INR	-	-	-	-	-	-	-	-	-	-	-	100%

** Zensar Technologies (Shanghai) Co. Ltd, China local reporting period is from 1st January 2017 to 31st December 2017. However it has been consolidated from 1st April 2017 to 31st March 2018.

Notes :

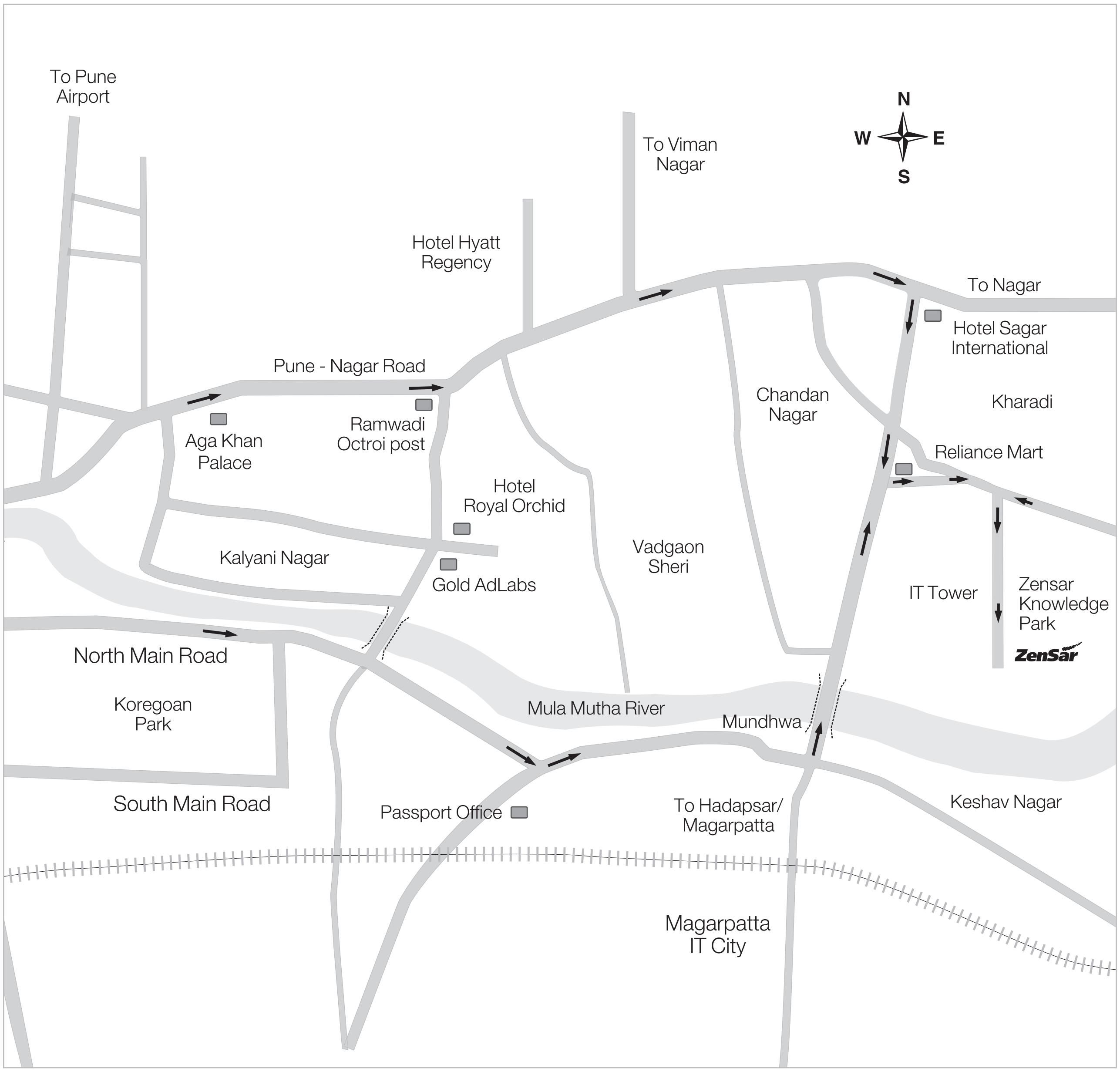
1. Names of subsidiaries which are yet to commence operations
   Zensar Info Technologies (Singapore) Pte Ltd
   Zensar Information Technologies Ltd.
   Zensar Software Technologies Ltd.
   Zensar IT Services Ltd.
2. Name of subsidiaries which have been liquidated or sold during the year
3. Aquila Tech Corp (Aquila) has not been included in the above statement (Refer Note No. 29e)

Part "B": Associates and Joint Ventures is not applicable to the Company as the Company does not have any Associate Companies and Joint Ventures

Notes

Notes

Route Map to the venue of the AGM



*This Map is drawn for limited purpose and not to scale

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A RPG Company

Zensar Technologies Limited

CIN: L72200PN1963PLC012621
Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road, Pune - 411014
investor@zensar.com | www.zensar.com

ATTENDANCE SLIP

56th Annual General Meeting - Monday, August 05, 2019

Serial No. :

1. Name and Address :

2. Name(s) of the Joint Holder(s), if any :

3. Registered Folio No./DP ID No.*/Client ID No.* :

4. No. of Shares :

I certify that I am a member / proxy / authorised representative for the member of the Company.

I hereby record my presence at the 56th Annual General Meeting of the Company at the Registered Office of the Company situated at Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road, Pune - 411014, Maharashtra, India, on Monday, August 05, 2019, at 12:00 Noon IST.

Name of the member / proxy
(in BLOCK letters)

Signature of the member / proxy

Note: Please bring this form at the AGM hall and hand it over at the entrance. Members are requested to bring their copies of the Annual Report to the AGM.

NAME OF THE HOLDER	FOLIO/DP ID/CLIENT ID NO.	NO. OF SHARES

Member may please note the electronic voting particulars as set out below for the purpose of e-voting are in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration)Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015. Detailed instructions for e-voting are furnished in the notes to the Notice convening this Annual General Meeting.

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Thursday, August 01, 2019 at 9.00 A.M	Sunday, August 04, 2019 at 5.00 P.M

ELECTRNIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Form No. MGT-11

CIN: L72200PN1963PLC012621
Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road, Pune - 411014
investor@zensar.com | www.zensar.com

56 th Annual General Meeting -Monday, August 5, 2019

Name of the member(s):

Registered address:

Email ID:

FolioNo./ClientID:

I / we, being the member(s) of .... shares of the above named Company, hereby appoint

Name:.. E-mail: ....

Address: ....

.... Signature: ______________________________

Or failing of him / her

Name: .... E-mail: ....

Address: ....

.... Signature: ______________________________

Or failing of him / her

Name: .... E-mail: ....

Address: ....

.... Signature: ______________________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 56th Annual General Meeting of the Company, to be held on Monday, August 5, 2019, at 12:00 Noon IST, at the Registered Office of the Company situated at Zensar Knowledge Park, Plot #4, MIDC, Kharadi, Off Nagar Road, Pune-411014, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional, see Note 3) (Please mention no. of shares)	
		For	**Against**
Ordinary business			
1.	Adoption of Accounts		
2.	Declaration of Dividend		
3.	Re-appointment of Mr. Shashank Singh (DIN: 02826978)		
Special business			
4.	Appointment of Mr. Anant Vardhan Goenka (DIN: 02089859) as a Non-Executive, Non-Independent Director, liable to retire by rotation.		
5.	Appointment of Mr. Arvind Nath Agrawal (DIN: 00193566) as a Non-Executive Independent Director, not liable to retire by rotation.		
6.	Re-appointment of Mr. Ajit Tekchand Vaswani (DIN-00057953) as a Non-Executive Independent Director of the Company, not liable to retire by rotation.		
7.	Re-appointment of Mr. Venkatesh Kasturirangan (DIN- 00804869) as a Non-Executive Independent Director of the Company, not liable to retire by rotation.		
8.	Approval for payment of Commission to Non-Executive Director(s).		

Signed this ______________________________ day of ______________________ 2019.

Signature of the member :
Signature of Proxy holder(s) :

Affix Revenue Stamp of not less than Re.1

1. This form, in order to be effective, should be duly completed, signed, stamped and deposited at the Registered Office of the Company, not less than 48 hours before the Annual General Meeting(on or before August 3, 2019 at 12:00 Noon).
2. Corporate member(s) intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified true copy of the Board resolution, authorising their representative to attend and vote on their behalf, at the meeting.
3. It is optional to indicate your preference. If you leave the`for'or`against'column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate