

Date: April 25, 2017

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

Dear Sir(s),

Subject: Audited Financial Results for the Quarter and Year ended March 31, 2017.

Please find enclosed herewith Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2017 which were approved and taken on record by the Board of Directors of the Company at their meeting held today.

The Report of the Auditors is with unmodified opinion with respect to the Audited Financial Results (Standalone and Consolidated) of the Company for the year ended March 31, 2017.

Kindly acknowledge the receipt of the Communication.

Thanking you,
Yours faithfully,

For Zensar Technologies Limited


Niles Limaye
Company Secretary



INDEPENDENT AUDITORS' REPORT

To the Members of ZENSAR TECHNOLOGIES LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Zensar Technologies Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (refer Note 1(b) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of Rs 535.91 lakhs and net assets of (Rs 228.55 lakhs) as at March 31, 2017, total revenue of Rs. 398.97 lakhs, net loss of Rs 6.40 lakhs and net cash flows amounting to Rs 91.95 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements 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 reports of the other auditors.

9. The comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 22, 2016 and April 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

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Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, 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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS 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 Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2017 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 Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group— Refer Note 40 to the consolidated Ind AS financial statements.
 - ii. The Group had long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2017.
- iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management – Refer Note 41 to the consolidated Ind AS financial statements.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Place: Pune
Date: April 25, 2017

Amit Borkar
Partner
Membership Number 109846

Annexure A to INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Zensar Technologies Limited on the consolidated financial statements for the year ended March 31, 2017

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Zensar Technologies Limited (hereinafter referred to as "the Holding Company") as of that date. The Holding Company does not have any subsidiaries incorporated in India.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on 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 (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

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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 Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

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Annexure A to INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Zensar Technologies Limited on the consolidated financial statements for the year ended March 31, 2017

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Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

8. In our opinion, the Holding 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, 2017, based on the internal control over financial reporting criteria established by the Holding 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 Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Place: Pune
Date: April 25, 2017

Amit Borkar
Partner
Membership Number 109846

Zensar Technologies Limited					
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India					
Statement of Consolidated Audited Results for the Year ended 31st March, 2017.					
(Rs. in Lakhs)					
Particulars	Quarter ended			Year ended	
	31-Mar-2017	31-Dec-2016	31-Mar-2016	31-Mar-2017	31-Mar-2016
	Refer Note 3	Unaudited	Unaudited	Audited	Audited
1 Income from Operations					
(a) Net Sales/Income from Operations	74,331	78,654	73,970	3,05,559	2,93,809
(b) Other Operating Income	46	118	501	478	1,378
Total income from operations	74,377	78,772	74,471	3,06,037	2,95,187
2 Expenses					
a. Purchase of traded goods	2,926	6,578	4,934	22,167	21,764
b. Changes in inventories	769	234	(61)	1,319	(324)
c. Employee benefits expense	50,323	49,011	46,475	1,93,887	1,80,806
d. Depreciation and amortisation expense	1,268	1,202	1,332	4,857	6,510
e. Other expenses	14,462	11,978	13,523	49,996	49,063
Total expenses	69,748	69,003	66,203	2,72,226	2,57,819
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	4,629	9,769	8,268	33,811	37,368
4 Other Income (Net)	(2,326)	1,886	915	1,928	5,385
5 Profit before finance costs and exceptional items (3+4)	2,303	11,655	9,183	35,739	42,753
6 Finance costs	331	177	193	877	1,066
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	1,972	11,478	8,990	34,862	41,687
8 Exceptional Items	-	-	-	-	-
9 Profit before tax (7+8)	1,972	11,478	8,990	34,862	41,687
10 Tax expense	899	3,463	2,094	11,025	12,457
11 Net Profit for the period (9-10)	1,073	8,015	6,896	23,837	29,230
12 Other comprehensive income, net of income tax					
A. Items that will not be reclassified to profit or loss	(34)	(231)	22	(630)	85
B. Items that will be reclassified to profit or loss	(1,088)	314	(1,096)	(1,110)	1,086
Total other comprehensive income, net of income tax	(1,122)	83	(1,074)	(1,740)	1,171
13 Total comprehensive income for the period (11+12)	(49)	8,098	5,822	22,097	30,401
14 Net Profit/(Loss) attributable to:					
- Owners	1,035	8,004	6,848	23,486	28,955
- Non-controlling interests	38	11	48	351	275
Total comprehensive income attributable to:					
- Owners	(87)	8,087	5,774	21,746	30,126
- Non-controlling interests	38	11	48	351	275
15 Paid-up equity share capital (Face value Rs.10 each)	4,487	4,480	4,463	4,487	4,463
16 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				1,43,066	1,21,806
17 Earnings Per Share (EPS) (Face value Rs. 10 each) (not annualised):					
a) Basic	2.31	17.87	15.35	52.50	65.13
b) Diluted	2.28	17.60	15.11	51.76	64.16

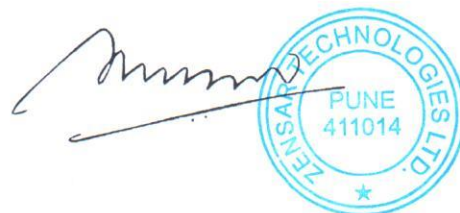
Consolidated Segment wise Revenue, Results & Capital employed for the year ended 31st March, 2017

Consolidated Segment wise Revenue, Results & Capital employed for the year ended 31st March, 2017					
(Rs. in Lakhs)					
Particulars	Quarter ended			Year ended	
	31-Mar-2017	31-Dec-2016	31-Mar-2016	31-Mar-2017	31-Mar-2016
	Refer Note 3	Unaudited	Unaudited	Audited	Audited
1 Segment Revenue (net of inter segment revenue)					
Application Management Services	61,080	60,333	56,937	2,39,860	2,25,397
Infrastructure Management Services	13,251	18,321	17,033	65,699	68,412
Net Sales / Income From Operations	74,331	78,654	73,970	3,05,559	2,93,809
2 Segment Results Profit / (Loss) before tax and interest from each segment					
Application Management Services	9,865	11,474	11,366	44,653	42,703
Infrastructure Management Services	(1,613)	6	(924)	(2,434)	3,008
Total Segment Results	8,252	11,480	10,442	42,219	45,711
Less: Interest and finance cost	331	177	193	877	1,066
Less: Unallocable expenditure net of unallocable income	5,949	(175)	1,259	6,480	2,958
Total Profit before Tax	1,972	11,478	8,990	34,862	41,687

1. Effective April 1, 2016, the Company has reorganised its business into multiple reporting units and realigned the internal financial reporting system. In the context of Ind AS-108 - Operating Segment. The Company has identified the following business segments:
Application Management Services (AMS)
Infrastructure Management Services (IMS)
These changes have been made retrospectively to the segment information of prior period presented.

2 Segment Capital Employed

Property, Plant and Equipment used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made.



Statement of Assets & Liabilities

(Rs. in Lakhs)

Particulars	As at 31- Mar- 2017	As at 31- Mar- 2016
Assets		
Non-Current Assets		
(a) Property, Plant and Equipment	9,146	9,332
(b) Capital work-in-progress	101	18
(c) Goodwill	31,961	26,626
(d) Other Intangible assets	4,002	2,412
(e) Intangible assets under development	162	151
(f) Financial Assets		
i) Investments	9,603	2,626
ii) Other financial assets	1,486	1,177
(g) Deferred tax assets (net)	1,738	2,160
(h) Other non-current assets	279	1,159
(i) Income tax assets (net)	3,924	2,385
Sub-Total - Non-current assets	62,402	48,046
Current Assets		
(a) Inventories	11,267	12,587
(b) Financial Assets		
i) Investments	14,667	10,784
ii) Trade receivables	53,267	54,003
iii) Cash and cash equivalents	32,713	27,486
iv) Bank balances other than in (iii) above	196	208
v) Unbilled revenue	25,530	23,507
vi) Other financial assets	1,676	1,054
(c) Other current assets	8,854	8,979
Sub-Total - Current assets	1,48,170	1,38,608
Total - Assets	2,10,572	1,86,654
Equity And Liabilities		
Equity		
(a) Equity Share Capital	4,487	4,463
(b) Other Equity		
i. Reserves and surplus	1,42,224	1,19,440
ii. Other components of equity	842	2,366
Equity attributable to shareholders of the Company	1,47,553	1,26,269
Non controlling interests	742	391
Sub-Total - Equity	1,48,295	1,26,660
Non-Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	146	77
ii) Other financial liabilities	3,658	980
(b) Provisions	97	91
(c) Employee benefit obligations	3,595	3,605
(d) Other non-current liabilities	84	187
Sub-Total - Non-Current Liabilities	7,580	4,940
Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	13,086	14,731
ii) Trade payables	17,533	16,583
iii) Other financial liabilities	7,827	10,112
(b) Provisions	-	220
(c) Employee benefit obligations	2,875	1,690
(d) Unearned revenue	8,161	8,391
(e) Other current liabilities	2,278	2,180
(f) Current tax liabilities (Net)	2,937	1,147
Sub-Total - Current Liabilities	54,697	55,054
Total - Equity And Liabilities	2,10,572	1,86,654

Notes:

- The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at their meeting held on 25th April, 2017.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2016, the Company has for the first time adopted Ind AS with a transition date of 1 April 2015.
- The figures for the fourth quarter are the balancing figures between the audited figures in respect of the full financial year and published to date figures upto the third quarter of the current financial year.
- On November 2, 2016, Zensar Technologies (UK) Limited, a wholly owned subsidiary of the Company, entered into a Share Purchase agreement to acquire 100% shares in Foolproof Limited, an Experience Design Company, headquartered in London with other offices in Norwich and Singapore. As permitted under Ind AS 103, the accounting for the acquisition has been done on provisional basis. These provisional amounts will be finalised upon completion of the fair valuation of consideration (including contingent consideration), assets acquired and liabilities assumed. The results for the quarter and year ended 31 March 2017 include the results of Foolproof Group (Foolproof Limited and its subsidiaries) for the period November 2, 2016 to March 31, 2017 and are therefore not comparable with results of the previous periods.
- In March 2017, the Company through its wholly owned subsidiary, Zensar Technologies, Inc. has entered into an agreement to acquire 100% equity interest in Keystone Logic Inc., and entered into a Business Undertaking Transfer Agreement for the purchase of business of Keystone Logic Solutions Private Limited, for a purchase consideration of USD 5.95 million and Rs. 5181 lakhs respectively (excluding contingent consideration). The acquisition is subject to customary closing conditions and expected to be completed in the quarter ending June 30, 2017.
- The Group had initially elected to apply Ind AS 103- Business Combinations from the date of transition i.e. April 1, 2015. However, during the quarter ended March 31, 2017, the Group has now elected to apply this standard to all business combinations completed after October 1, 2010. This represents a change in election of exemptions under Ind AS 101. On account of this change, the figures for quarters ended December 31, 2016 and March 31, 2016 and year ended March 31, 2016 have been adjusted to reflect the additional amortisation charge on intangible assets of Rs. 176 lakhs, Rs.175 lakhs and Rs. 2224 lakhs respectively and consequently, the profits before tax for the aforesaid periods are lower than those reported earlier by a corresponding amount. The reconciliations in notes 13 and 14 below have been updated accordingly.
- The consolidated financial results include the results of Zensar Technologies Limited's subsidiaries in USA, UK, Singapore, China, South Africa and Netherlands.
- The Statutory Auditors have carried out the Audit for the year ended March 31, 2017.
- Other Income (Net) for the quarter and year ended March 31st, 2017 includes net foreign exchange gain/(loss) of Rs. (2654) lakhs and Rs. 207 lakhs respectively. (Corresponding previous period: net gain of Rs. 452 lakhs and Rs. 3610 lakhs respectively). Other Income (Net) for the quarter ended December 31st, 2016 includes net foreign exchange gain of Rs. 1524 lakhs.




10 The Board of Directors at their meeting held on January 24, 2017 have declared an Interim Dividend of Rs. 5.00 (50%) per Equity Share. In addition, the Board of Directors at their meeting held on April 25, 2017 have recommended a Final Dividend of Rs. 7.00 (70%) Per Equity Share, subject to the approval of shareholders.

11 During the quarter ended 31st March, 2017, the Company issued 1,800 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 73,668 equity shares under "2006 ESOP" stock option plan.

12 Results of Zensar Technologies Limited on a stand alone basis are hosted on the Company's website www.zensar.com.

Stand-Alone Information					
Particulars	(Rs. in Lakhs)				
	Quarter ended			Year ended	
	31-Mar-2017	31-Dec-2016	31-Mar-2016	31-Mar-2017	31-Mar-2016
	Refer Note 3	Unaudited	Unaudited	Audited	Audited
Net Sales/Income from Operations	29767	32457	30844	127240	123312
Profit before tax	2775	8847	7486	25298	32426
Profit after tax	1989	6343	5481	18022	23822

13 The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Description	(Rs. in Lakhs)	
	For Quarter ended March 31, 2016	For Year ended March 31, 2016
Net profit as per previous GAAP (Indian GAAP)	7,067	31,190
Ind AS adjustments:		
Net adjustment on de-consolidation of an entity pursuant to requirements of Ind AS 110*	(46)	(71)
Actuarial gain/(loss) on employee defined benefit plans recognised in Other Comprehensive Income	56	223
Effect of employee stock option measurement and amortisation based on fair value of options	(164)	(395)
Effect of fair valuing security deposits and amortisation of advance rentals	(37)	(157)
Effect of measuring investments at fair value through profit and loss	190	444
Fair valuation changes of other financial liabilities	81	353
Amortisation of intangibles identified on business combinations	(175)	(2,224)
Others	111	634
Deferred tax on undistributed earnings of subsidiaries	(51)	(93)
Deferred taxes on above Ind AS adjustments	(135)	(673)
Net profit as per Ind AS	6,896	29,230
Other comprehensive income, net of income tax	(1,074)	1,171
Total comprehensive income for the period	5,822	30,401

* includes net sales/income from operations - Rs. 668 lakhs and Rs. 2617 lakhs for the quarter and year ended 31st March, 2016 respectively

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated July 5, 2016 on account of implementation of Ind-AS by listed companies.

14 Reconciliation of total equity as at March 31, 2016

	(Rs. in Lakhs)
	March 31, 2016
Total equity (shareholder's fund) as per previous GAAP	1,42,579
Ind AS adjustments	
Net impact of election of business combination exemption (also refer Note 6)	(18,363)
Fair valuation changes of other financial liabilities	(980)
Deferred tax liability recognised on undistributed earnings of subsidiaries	(529)
Deferred tax asset recognised on amortizable goodwill	1,558
Effect of measuring investments at fair value through profit and loss	629
Effect of measuring investments in equity instruments at fair value through other comprehensive income	995
Goodwill amortization written back	255
Others including deferred taxes on Ind AS adjustments	125
Total adjustments	(16,310)
Total Equity as per Ind AS	1,26,269

For and on behalf of the Board


 Managing Director & CEO
 DIN:07393680



Pune
 Date: 25th April, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZENSAR TECHNOLOGIES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of Zensar Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 22, 2016 and April 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS 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 as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.

Q

INDEPENDENT AUDITORS' REPORT

To the Members of Zensar Technologies Limited
Report on the Standalone Ind AS Financial Statements
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- (g) 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 30 to the standalone Ind AS financial statements;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 40 to the standalone Ind AS financial statements.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

 Place: Pune
Date: April 25, 2016

Amit Borkar
Partner
Membership Number 109846

Annexure A to INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Zensar Technologies Limited on the standalone financial statements for the year ended March 31, 2017

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Zensar Technologies Limited ("the Company") as of March 31, 2017 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

2. 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 (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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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 standalone Ind AS financial statements, whether due to fraud or error.
5. 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.

9

Annexure A to INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Zensar Technologies Limited on the standalone financial statements for the year ended March 31, 2017

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Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

8. In our opinion, 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, 2017, 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.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Place: Pune
Date: April 25, 2017

Amit Borkar
Partner
Membership Number 109846

Zensar Technologies Limited						
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India						
Statement of Standalone Audited Results for the Year ended 31st March, 2017.						
(Rs. in Lakhs)						
Particulars	Quarter ended			Year ended		
	31-Mar-2017	31-Dec-2016	31-Mar-2016	31-Mar-2017	31-Mar-2016	
	Refer Note 3	Unaudited	Unaudited	Audited	Audited	
1 Income from Operations						
(a) Net Sales/Income from Operations	29,767	32,457	30,844	1,27,240	1,23,312	
(b) Other Operating Income	279	264	282	1,042	1,216	
Total income from operations	30,046	32,721	31,126	1,28,282	1,24,528	
2 Expenses						
a. Purchase of traded goods	572	1,118	455	7,222	5,259	
b. Employee benefits expense	17,967	18,657	16,932	72,381	66,967	
c. Depreciation and amortisation expense	873	848	957	3,391	3,472	
d. Other expenses	6,393	4,466	5,856	20,951	21,454	
Total expenses	25,805	25,089	24,200	1,03,945	97,152	
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	4,241	7,632	6,926	24,337	27,376	
4 Other Income (Net)	(1,312)	1,240	688	1,168	5,274	
5 Profit before finance costs and exceptional items (3+4)	2,929	8,872	7,614	25,505	32,650	
6 Finance costs	154	25	128	207	224	
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	2,775	8,847	7,486	25,298	32,426	
8 Exceptional Items	-	-	-	-	-	
9 Profit before tax (7+8)	2,775	8,847	7,486	25,298	32,426	
10 Tax expense	787	2,504	2,005	7,276	8,604	
11 Net Profit for the period (9-10)	1,989	6,343	5,481	18,022	23,822	
12 Other comprehensive income, net of income tax						
A. Items that will not be reclassified to profit or loss	121	(231)	(37)	(475)	(146)	
B. Items that will be reclassified to profit or loss	459	(94)	529	778	(218)	
Total other comprehensive income, net of income tax	580	(325)	492	303	(364)	
13 Total comprehensive income for the period (11+12)	2,569	6,018	5,973	18,325	23,458	
14 Paid-up equity share capital (Face value Rs. 10 each)	4,487	4,480	4,463	4,487	4,463	
15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				1,08,329	91,166	
16 Earnings Per Share (EPS) (Face value Rs. 10 each) (not annualised):						
a) Basic	4.44	14.16	12.29	40.28	53.59	
b) Diluted	4.37	13.94	12.09	39.72	52.79	




Statement of Assets & Liabilities

(Rs. in Lakhs)

Particulars	As at 31- Mar-2017	As at 31- Mar-2016
Assets		
Non-Current Assets		
(a) Property, Plant and Equipment	8,160	8,202
(b) Capital work-in-progress	100	18
(c) Goodwill	1,276	1,276
(d) Other Intangible assets	743	1,021
(e) Intangible assets under development	162	151
(f) Financial Assets		
i) Investments	7,766	468
ii) Other financial assets	1,124	1,007
(g) Deferred tax assets (net)	1,494	1,468
(h) Other non-current assets	279	334
(i) Income tax assets (net)	2,170	1,404
Sub-Total - Non-current assets	23,274	15,349
Current Assets		
(a) Financial Assets		
i) Investments	14,667	10,784
ii) Trade receivables	59,631	52,522
iii) Cash and cash equivalents	5,875	8,400
iv) Bank balances other than in (iii) above	196	208
v) Unbilled revenue	17,481	16,881
vi) Other financial assets	5,458	3,385
(b) Other current assets	4,506	4,295
Sub-Total - Current assets	1,07,814	96,475
Total - Assets	1,31,088	1,11,824
Equity And Liabilities		
Equity		
(a) Equity Share Capital	4,487	4,463
(b) Other Equity		
i. Reserves and surplus	1,07,526	91,141
ii. Other components of equity	803	25
Sub-Total - Equity	1,12,816	95,629
Non-Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	25	77
(b) Provisions	97	91
(c) Employee benefit obligations	1,528	1,264
Sub-Total - Non-Current Liabilities	1,650	1,432
Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	1,637	1,325
ii) Trade payables	5,279	3,328
iii) Other financial liabilities	5,245	6,098
(b) Provisions	-	220
(c) Employee benefit obligations	2,502	1,459
(d) Unearned revenue	740	703
(e) Other Current Liabilities	1,062	1,086
(e) Current Tax Liabilities (Net)	157	544
Sub-Total - Current Liabilities	16,622	14,763
Total - Equity And Liabilities	1,31,088	1,11,824



Notes :

- 1 The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at their meeting held on 25th April, 2017.
- 2 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2016, the Company has for the first time adopted Ind AS with a transition date of 1 April 2015.
- 3 The figures for the fourth quarter are the balancing figures between the audited figures in respect of the full financial year and published to date figures upto the third quarter of the current financial year.
- 4 In March 2017, the Company has entered into a Business Undertaking Transfer Agreement for the purchase of business of Keystone Logic Solutions Private Limited, for a purchase consideration of Rs. 5181 lakhs (excluding contingent consideration). The acquisition is subject to customary closing conditions and expected to be completed in the quarter ending June 30, 2017.
- 5 The Company had initially elected to apply Ind AS 103- Business Combinations from the date of transition i.e. April 1,2015. However, during the quarter ended March 31, 2017, the Company has now elected to apply this standard to all business combinations completed after October 1, 2010. This represents a change in election of exemptions under Ind AS 101. The impact of this change on the figures for quarters ended December 31, 2016 and March 31, 2016 and year ended March 31, 2016 is not material.
- 6 The Statutory Auditors have carried out the Audit for the year ended March 31, 2017.
- 7 Where financial results contain both consolidated financial results and separate financial results of parent, segment information needs to be presented only in the case of consolidated financial results. Accordingly, segment information has been provided only in the consolidated financial results.
- 8 Other Income (Net) for the quarter and year ended March 31st, 2017 includes net foreign exchange gain/(loss) of Rs. (2231) lakhs and Rs. (1048) lakhs respectively. (Corresponding previous period: net gain of Rs. 253 lakhs and Rs. 2672 lakhs respectively). Other Income (Net) for the quarter ended December 31st, 2016 includes net foreign exchange gain of Rs. 883 lakhs.
- 9 The Board of Directors at their meeting held on January 24, 2017 have declared an Interim Dividend of Rs. 5.00 (50%) per Equity Share. In addition, the Board of Directors at their meeting held on April 25, 2017 have recommended a Final Dividend of Rs. 7.00 (70%) Per Equity Share, subject to the approval of shareholders.
- 10 During the quarter ended 31st March, 2017, the Company issued 1,800 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 73,668 equity shares under "2006 ESOP" stock option plan.
- 11 The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Description	(Rs. in Lakhs)	
	For Quarter ended March 31, 2016	For Year ended March 31, 2016
Net profit as per previous GAAP (Indian GAAP)	5,313	23,424
Ind AS adjustments:		
Actuarial gain/(loss) on employee defined benefit plans recognised in Other Comprehensive Income	56	223
Effect of employee stock option measurement and amortisation based on fair value of options	58	(172)
Goodwill amortization written back	64	255
Effect of fair valuing security deposits and amortisation of advance rentals	(33)	(143)
Effect of measuring investments at fair value through profit and loss	190	444
Effect of Actuarial valuation of employee benefits	(91)	(16)
Others	27	120
Deferred taxes on above Ind AS adjustments	(103)	(313)
Net profit as per Ind AS	5,481	23,822
Other comprehensive income, net of income tax	492	(364)
Total comprehensive income for the period	5,973	23,458

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated July 5, 2016 on account of implementation of Ind-AS by listed companies.

12 Reconciliation of total equity as at March 31, 2016

	(Rs. in Lakhs)
	March 31, 2016
Total equity (shareholder's fund) as per previous GAAP	94,456
Ind AS adjustments	
Fair valuation of investments	629
Actuarial valuation of employee benefits	(68)
Goodwill amortization written back	255
Fair valuing security deposits and amortisation of advance rentals	(23)
Recharge of cost incurred for stock options issues to employees of subsidiaries	222
Deferred taxes on above Ind AS adjustments	158
Total adjustments	1,173
Total Equity as per Ind AS	95,629

For and on behalf of the Board



[Signature]

Sandeep Kishore
Managing Director & CEO
DIN:07393680