

Date: January 18, 2018

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: Un-audited Financial Results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2017.

Please find enclosed herewith the Un-audited Financial Results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2017, which were approved and taken on record by the Board of Directors of the Company at their meeting held today along with the Limited Review Report of the Statutory Auditors of the Company thereon.

Kindly acknowledge the receipt of the same.

Thanking you,
Yours faithfully,

For **Zensar Technologies Limited**


Nilesh Limaye
Company Secretary
M. No. A4075



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ZENSAR TECHNOLOGIES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ZENSAR TECHNOLOGIES LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. The comparative financial information of the company for the quarter and nine months ended December 31, 2016 and for the year ended March 31, 2017 included in this Statement has been reviewed/audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated January 24, 2017 and April 25, 2017 expressed an unmodified opinion.

Our report is not modified in respect of this matter.

**For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)**

**Place: Mumbai
Date: January 18, 2018**


**Hemant M. Joshi
Partner
(Membership No. 38019)**

Zensar Technologies Limited
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India
Statement of Standalone Unaudited Results for the Quarter and Nine months ended 31st December, 2017

(Rs. in Lakhs)

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	31,846	32,286	32,457	94,463	97,473	127,240
2 Other income (net)	594	2,348	1,504	4,085	3,243	2,210
3 Total Income	32,440	34,634	33,961	98,548	100,716	129,450
4 Expenses						
a. Purchase of traded goods	1,086	583	1,118	2,065	6,650	7,222
b. Employee benefits expense	18,501	18,683	18,454	55,953	53,584	71,361
c. Cost of manpower hired	578	497	459	1,573	1,642	2,093
d. Finance costs	321	311	25	922	53	207
e. Depreciation and amortisation expense	1,239	1,266	848	3,684	2,518	3,391
f. Other expenses	5,524	5,303	4,210	16,390	13,746	19,878
Total expenses	27,249	26,643	25,114	80,587	78,193	104,152
5 Profit before tax (3-4)	5,191	7,991	8,847	17,961	22,523	25,298
6 Tax expense						
a. Current tax	1,554	1,840	2,621	4,676	6,641	7,548
b. Deferred tax	(193)	(4)	(117)	(203)	(152)	(272)
7 Net Profit for the period (5-6)	3,830	6,155	6,343	13,488	16,034	18,022
8 Other comprehensive income, net of income tax						
A. Items that will not be reclassified to profit or loss	724	(171)	(231)	553	(596)	(475)
B. Items that will be reclassified to profit or loss	(1)	(468)	(94)	(803)	319	778
Total other comprehensive income, net of income tax	723	(639)	(325)	(250)	(277)	303
9 Total comprehensive income for the period (7+8)	4,553	5,516	6,018	13,238	15,757	18,325
10 Paid-up equity share capital (Face value Rs. 10 each)	4,498	4,494	4,480	4,498	4,480	4,487
11 Other equity excluding Revaluation Reserves as per balance sheet						108,329
12 Earnings Per Share (EPS) (Face value Rs. 10 each) (not annualised):						
a) Basic	8.52	13.71	14.16	30.03	35.86	40.28
b) Diluted	8.43	13.55	13.94	29.72	35.30	39.72



[Handwritten Signature]

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 January 18, 2018.
- 2 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. 5181 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. 8000 lakhs (USD 12.39 million).
The results for the quarter and nine months ended December 31, 2017 include the results of the above mentioned acquired business (Revenue from operations of Rs. 1749 lakhs and Rs. 5074 lakhs respectively & Profit before tax of Rs. 811 lakhs and Rs. 2460 lakhs respectively) and are therefore not comparable with results of previous periods.
- 3 Where financial results are declared for both consolidated and standalone entity, segment information may be presented only in the case of consolidated financial results. Accordingly, segment information has been provided only in the consolidated financial results.
- 4 Other Income (Net) for the quarter and nine months ended December 31, 2017 includes foreign exchange gain/(loss) of Rs. (141) lakhs and Rs. 654 lakhs respectively. (Corresponding previous period: net gain of Rs. 883 lakhs and Rs. 1183 lakhs). Other Income (net) for the quarter ended September 30, 2017 includes net foreign exchange gain of Rs. 567 lakhs.
- 5 During the nine months ended December 31, 2017, the Company issued 9350 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 94352 equity shares under "2006 ESOP" stock option plan.
- 6 The board of directors in their meetings on January 18, 2018 declared an interim dividend of Rs. 5 Per equity share.

For and on behalf of the Board

Mumbai
Date: January 18, 2018




Sandeep Kishore
Managing Director & CEO
DIN:07393680

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ZENSAR TECHNOLOGIES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ZENSAR TECHNOLOGIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and nine months ended December 31, 2017 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement [which includes the results of the entities listed in Note 5 of the Statement] prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. The comparative financial information of the Group for the quarter and nine months ended December 31, 2016 and for the year ended 31st March 2017 included in this Statement has been reviewed / audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated January 24, 2017 and April 25, 2017 expressed an unmodified conclusion / opinion. Adjustments as stated in Note 4, made to the previously issued said financial information for quarter and nine months ended 31st December 2016 prepared in accordance with the Ind AS have been reviewed by us.

Our report is not modified in respect of these matters.

**For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)**

**Place: Mumbai
Date: January 18, 2018**


**Hemant M. Joshi
Partner
(Membership No.38019)**

Zensar Technologies Limited
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014, India
Statement of Consolidated Unaudited Results for the Quarter and Nine months ended 31st December, 2017

(Rs. in Lakhs)

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	79,376	76,260	78,654	229,301	231,228	305,559
2 Other income (net)	647	2,094	2,004	4,767	4,686	2,406
3 Total Income	80,023	78,354	80,658	234,068	235,914	307,965
4 Expenses						
a. Purchase of traded goods	4,545	2,955	6,578	11,136	19,241	22,167
b. Changes in inventories	516	230	234	359	550	1,319
c. Employee benefits expense	42,184	42,962	40,304	126,787	117,710	159,300
d. Cost of manpower hired	9,300	8,976	9,012	27,813	26,834	35,880
e. Finance costs	607	534	177	1,762	546	877
f. Depreciation and amortisation expense	1,599	1,714	1,202	5,120	3,590	4,857
g. Other expenses	12,286	12,289	11,673	36,334	34,554	48,703
Total expenses	71,037	69,660	69,180	209,311	203,025	273,103
5 Profit before tax (3-4)	8,986	8,694	11,478	24,757	32,889	34,862
6 Tax expense						
a. Current tax	2,974	1,927	3,502	7,388	10,382	10,506
b. Deferred tax	(5)	348	(39)	124	(256)	519
7 Net Profit for the period (5-6)	6,017	6,419	8,015	17,245	22,763	23,837
8 Net Profit/(Loss) attributable to:						
- Owners	5,907	6,263	8,004	16,888	22,450	23,486
- Non-controlling interests	110	156	11	357	313	351
9 Other comprehensive income, net of income tax						
A. Items that will not be reclassified to profit or loss	723	(171)	(231)	553	(596)	(630)
B. Items that will be reclassified to profit or loss	(694)	15	314	(424)	(22)	(1,182)
Total other comprehensive income, net of income tax	29	(156)	83	129	(618)	(1,812)
10 Total comprehensive income for the period (7+9)	6,046	6,263	8,098	17,374	22,145	22,025
11 Total comprehensive income attributable to:						
- Owners	5,936	6,107	8,087	17,017	21,832	21,674
- Non-controlling interests	110	156	11	357	313	351
12 Paid-up equity share capital (Face value Rs.10 each)	4,498	4,494	4,480	4,498	4,480	4,487
13 Other equity excluding Revaluation Reserves as per balance sheet						142,562
14 Earnings Per Share (EPS) (Face value Rs. 10 each) (not annualised):						
a) Basic	13.14	13.95	17.87	37.60	50.21	52.50
b) Diluted	13.00	13.79	17.67	37.21	49.66	51.76

Consolidated Segment wise Revenue & Results for the quarter and nine months ended 31st December, 2017

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
Application Management Services	65,779	63,255	60,333	189,099	178,780	239,860
Infrastructure Management Services	13,597	13,005	18,321	40,202	52,448	65,699
Revenue From Operations	79,376	76,260	78,654	229,301	231,228	305,559
2 Segment Results Profit / (Loss) before tax and interest						
Application Management Services	11,495	8,971	11,474	28,793	34,788	44,653
Infrastructure Management Services	(504)	(439)	6	(527)	(821)	(2,434)
Total Segment Results	10,991	8,532	11,480	28,266	33,967	42,219
Less: Finance costs	607	534	177	1,762	546	877
Less: Unallocable expenditure net of unallocable income	1,399	(696)	(175)	1,747	532	6,480
Total Profit before Tax	8,986	8,694	11,478	24,757	32,889	34,862



Statement of Segment Assets & Liabilities		31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Mar-2017
		Unaudited	Unaudited	Unaudited	Audited
1	Segment Assets				
	Trade Receivables				
	Application Management Services	48,383	48,867	43,380	39,615
	Infrastructure Management Services	11,735	10,736	15,948	13,652
	Total Trade Receivables	60,118	59,603	59,328	53,267
	Inventories				
	Application Management Services	-	-	-	-
	Infrastructure Management Services	10,909	11,424	12,037	11,267
	Total Inventories	10,909	11,424	12,037	11,267
	Unbilled Revenue				
	Application Management Services	25,064	25,848	19,215	20,195
	Infrastructure Management Services	4,766	4,821	6,737	5,335
	Total Unbilled Revenue	29,830	30,669	25,953	25,530
	Goodwill				
	Application Management Services	24,765	25,055	36,434	14,333
	Infrastructure Management Services	17,064	17,441	18,146	17,324
	Total Goodwill	41,829	42,496	54,580	31,657
	Unallocable Assets	94,132	77,375	82,969	88,547
	TOTAL ASSETS	236,818	221,567	234,866	210,268
2	Segment Liabilities				
	Unearned Revenue				
	Application Management Services	5,340	4,916	4,632	4,968
	Infrastructure Management Services	2,592	2,015	2,502	3,967
	Total Unearned Revenue	7,932	6,931	7,134	8,935
	Unallocable Liabilities	66,951	58,491	61,246	53,543
	Total Liabilities	74,883	65,422	68,380	62,478



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 January 18, 2018.
- 2 In November 2016, the Company, through its wholly owned subsidiary, Zensar Technologies (UK) Limited, acquired a 100% stake in Foolproof Limited, an Experience Design Company based in UK. The results for the quarter and nine months ended December 31, 2017 include the results of Foolproof Group (Revenue from operations of Rs. 2188 lakhs and Rs. 7045 lakhs respectively & Profit before tax of Rs. 132 lakhs and Rs. 78 lakhs respectively) and are therefore not comparable with results for quarter and nine months ended December 31, 2016.
- 3 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. 5181 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. 8000 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.
The results for the quarter and nine months ended December 31, 2017 include the results of the above mentioned acquired business & entity (Revenue from operations of Rs. 3914 lakhs and Rs. 10512 lakhs respectively & Profit before tax of Rs. 1115 lakhs and Rs. 3248 lakhs respectively) and are therefore not comparable with results of previous periods.
- 4 The Group had initially opted to apply Ind AS 103- Business Combinations from the date of transition i.e. April 1, 2015 to Indian Accounting Standards. However, during the quarter ended March 31, 2017, the Group opted to apply this standard to all business combinations completed on or after October 1, 2010. Accordingly, the figures for quarter and nine months ended December 31, 2016 have been restated to give effect of the above mentioned change and consequently, the profit before tax for the quarter and nine months ended December 31, 2016 is lower by Rs. 176 lakhs and Rs. 528 lakhs respectively than as reported earlier.
- 5 The consolidated financial results include the results of Zensar Technologies Limited and its subsidiaries viz., Zensar Technologies Inc., Zensar Technologies (UK) Limited, PSI Holding Group Inc., Zensar Technologies IM Inc., Zensar Technologies IM B.V., Zensar (Africa) Holdings Pty Limited, Zensar (South Africa) Pty Limited, Professional Access Limited, Zensar Technologies (Singapore) Pte. Limited, Foolproof Limited, Knit Limited, Foolproof (SG) Pte Limited, Flow Interactive Limited, Zensar Technologies (Shanghai) Company Limited, Keystone Logic Inc, Zensar Information Technologies Limited, Zensar Software Technologies Limited and Zensar Info Technologies (Singapore) Pte Limited.
- 6 Other Income (Net) for the quarter and nine months ended December 31, 2017 includes foreign exchange gain of Rs. 32 lakhs and Rs. 2752 lakhs respectively. (Corresponding previous period: net gain of Rs. 1528 lakhs and Rs. 2861 lakhs). Other Income (net) for the quarter ended September 30, 2017 includes net foreign exchange gain of Rs. 1480 lakhs.
- 7 During the nine months ended December 31, 2017, the Company issued 9350 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" and 94352 equity shares under "2006 ESOP" stock option plan.
- 8 Results of Zensar Technologies Limited on a stand alone basis are hosted on the Company's website www.zensar.com.

Stand-Alone Financial Information							(Rs. in Lakhs)
Particulars	Quarter ended			Nine months ended		Year Ended	
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
Revenue from operations	31,846	32,286	32,457	94,463	97,473	127,240	
Profit before tax	5,191	7,991	8,847	17,961	22,523	25,298	
Net profit for the period	3,830	6,155	6,343	13,488	16,034	18,022	

- 9 The board of directors in their meetings on January 18, 2018 declared an interim dividend of Rs. 5 Per equity share.

For and on behalf of the Board



Sandeep Kishore
Sandeep Kishore
Managing Director & CEO
DIN:07393680

Mumbai
Date: January 18, 2018