Registered Office : Zensar Technologies Ltd., Zensar Knowledge Park, Plot No. 4, MIDC Kharadi,
Off Nagar Road, Pune 411014, India Tel +91(20) 66074000, 27004000 Fax +91 (20) 66057888 CIN: L72200PN1963PLC012621

Date: July 26, 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

Sub: Annual Report FY 2016-17

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the FY 2016-17.

Kindly acknowledge the receipt of the Communication.

Thanking you,

Yours sincerely,
For **Zensar Technologies Limited**

Nilesh Limaye
Company Secretary
M. No.: A4075

ZENSAR TECHNOLOGIES LTD. PUNE 411014

Encl.: As above

RPG

ZenSar

Living Digital

Annual Report 2016 -17

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Dandelion. Zensar.
And making the world a better place

Lustrous dandelion florets are not objects of beauty by **themselves**.

The beauty extends for the benefit of the world.

The dandelion's beauty extends beyond form to content.

Edible. Nutritious. Medicinal. Therapeutic.

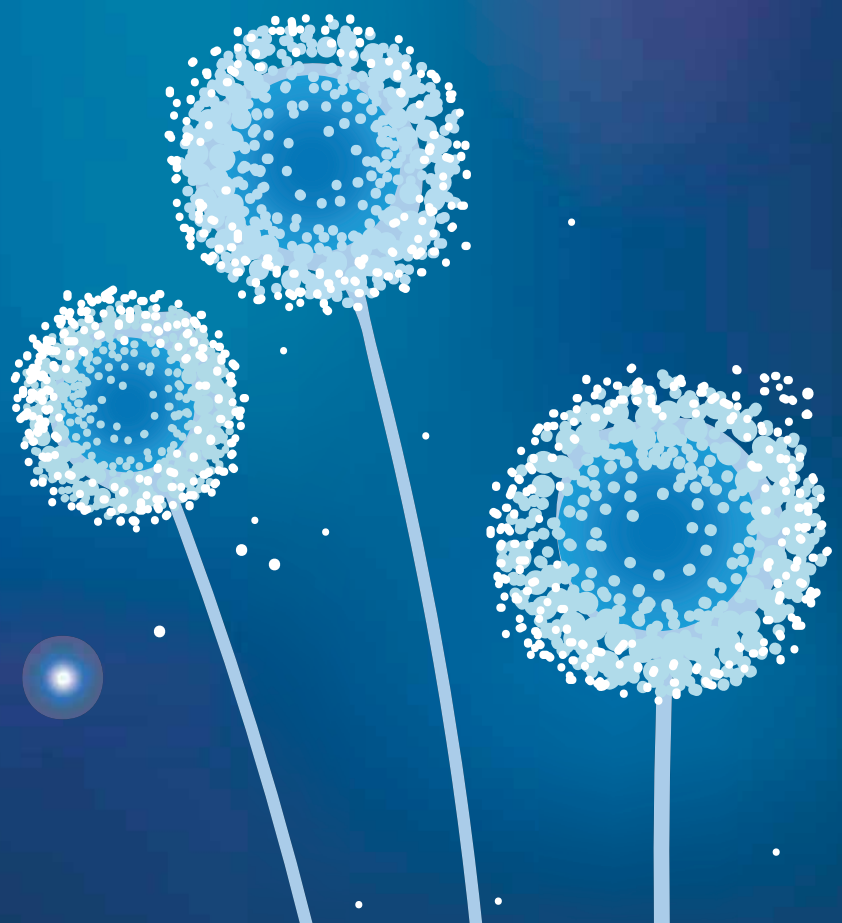
Deep-reaching. Soil-nourishing. Landscape-transformative.

Multifaceted. Resilient. Unstoppable.

At Zensar, we resemble the dandelion.

Our Digital solutions extend to a superior Return on Digital® customer proposition.

Strengthening the business of our customers – and our own through the Living Digital philosophy.



Corporate snapshot

Zensar Technologies Limited.

- Part of the $ 3 bn RPG Enterprises and $ 40 bn APAX Partners.
- Among only five global technology companies to be listed on a major global stock exchange (BSE) for 53+ years.
- Helping customers graduate from the traditional to the transformational.
- Through a complete technology services portfolio – Applications, Infrastructure, Digital and industry-specific solutions.

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

Background

Zensar is a leading digital solutions and technology services company that specialises in partnering global organisations across industries in their Digital Transformation journey.

A technology partner of choice, backed by a strong track record of innovation, credible investment in Digital solutions; and unwavering commitment to client success, Zensar's comprehensive range of digital and technology services and solutions enables clients to achieve new thresholds of business performance.

Zensar, with its experience in delivering excellence and superior client satisfaction through myriad technology solutions, is uniquely positioned to help clients surpass challenges they face in running their existing business efficiently, helping in their legacy technology transformation, while planning for business expansion and growth through innovative and digital ways.

Offerings

Zensar offers a complete range of traditional and transformational IT services and solutions across the application management and infrastructure management services.

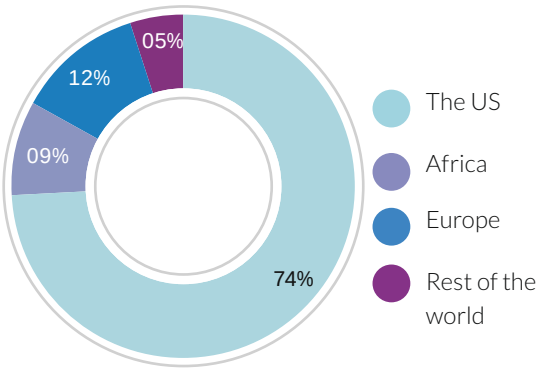
Zensar's portfolio comprises services for mission-critical applications, enterprise applications, infrastructure management, business intelligence and analytics, customer relationship management, business process management and digital enterprise services. Zensar powers next-generation enterprises through cloud, mobility and social media solutions.

Mission report

The company reported at close of FY17:

- Year-on-year revenue growth of 3.7% from INR 2,952 Cr to INR 3,060 Cr
- PAT for the same period decreased by 18.4% from INR 292.3 Cr to INR 238.4 Cr
- The diluted EPS for FY17 was INR 51.8, a decrease of 19.3% over the last year

Revenues by geography



Revenue

Rs. 3,060 crore 2016-17

Rs. 2,952 crore 2015-16

3.7% Growth

EBITDA

Rs. 386.7 crore 2016-17

Rs. 438.8 crore 2015-16

-11.9% Growth

Profit after tax

Rs. 238.4 crore 2016-17

Rs. 292.3 crore 2015-16

-18.4% Growth

Cash profit

Rs. 312.2 crore 2016-17

Rs. 374.2 crore 2015-16

-16.6% Growth

Resource utilisation
79.6%

Market capitalisation
Rs. 4151.93 crore

Revenue CAGR in last 5 years
7.67%

PAT CAGR for last 5 years
6.43%

Presence

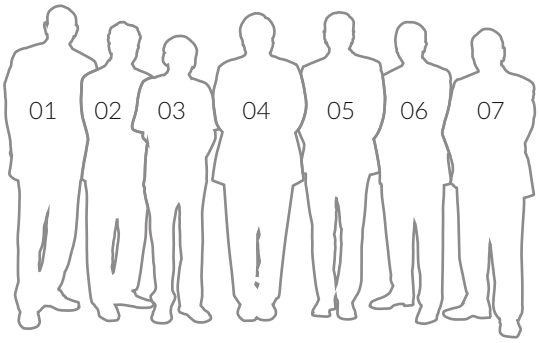
Zensar enjoys a presence across the US, Singapore, China, the UK and Australia as well as in European, African and Middle Eastern nations, serviced through dedicated delivery centres in India (Pune, Hyderabad and Bangalore).

Customers

- 70% of Zensar's revenues were derived from Global 1000 companies
- 70% revenues were from customers with 10+ years of engagement experience
- 28.25% of relationships were multi-service in nature

43 Locations	12 Countries	216 Customers
8,524 Associates	2,184 Women	32.8 Average age (years)

Board of Directors



01 Venkatesh Kasturirangan
02 Sudip Nandy
03 A.T. Vaswani
04 H.V. Goenka
05 Sandeep Kishore
06 Shashank Singh
07 Arvind Agrawal

Leadership team

Sandeep Kishore
Chief Executive Officer and Managing Director

Manoj Jaiswal
Chief Financial Officer

Syed Azfar Hussain
Chief Human Resources Officer

Ajay Bhandari
Chief Corporate Development Officer

Harish Gala
Executive Vice President, Strategic Programs

Prameela Kalive
Executive Vice President and Head, Applications Business Solutions

Pinaki Kar
President, Infrastructure Management Services and Cloud

John Blackburn
Executive Vice President and Head, Digital Commerce Services

Venky Ramanan
Executive Vice President and Global Head, Platinum Accounts

Sanjeev Malik
Senior Vice President and Global Head, Large Deals and Strategic Relationships

Malay Verma
Executive Vice President and Head, US Sales

Chaitanya Rajebahadur
Senior Vice President and Head, Europe

Harish Lala
Senior Vice President and Head, Africa

Chairman's Message

The year gone by has been about embracing changes, both internally and externally. We started the year with a new focus and a new leadership, with a clear agenda to take firm strides in leveraging the digital marketplace.

We worked towards taking the next leap towards growth and creating increased shareholder value for our investors. Strategic choices were made, paving the path to being a digital leader – investing in the right areas and aligning ourselves with a customer's business needs. The company's Return on Digital® strategy, introduced in the year, has enabled our customers to look beyond current investments, towards realising visible business benefits in their digital transformation journey.

The IT industry has been fraught with multiple economic and policy changes in two of its key markets, North America and UK-Europe. While this has imposed new challenges on growth plans, at Zensar, we continue to focus on making the company future-ready.

Digital today has become a catalyst as well as a foundation for global enterprises looking for visible outcomes for their investments. In this context, Zensar has made firm strides to fortify its offerings. This year saw the company lead by example in taking to market several digital solutions, designed to change the way enterprises run and manage their business. Key digital milestones were achieved as Zensar launched innovative customer-relevant solutions, which have set the stage for future growth and profitability. Our innovation-led R & D hub, Zenlabs, was unveiled, to ensure that we remain at the forefront of emerging technologies.

We took cognisance of the fact that the headwinds across markets underlined a renewed focus to engage customers and partners. We took the strategic decision of paring our customer base to focus on higher value-addition businesses. This helped us manage talent better and make deeper customer relationships.

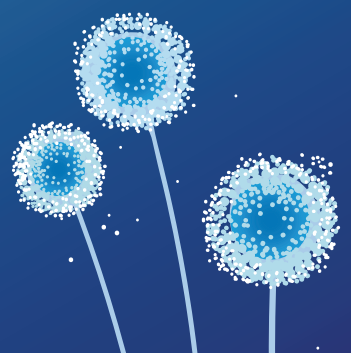
Zensar made two strategic acquisitions with Foolproof, a UK-based digital design consultancy and Keystone Logic, an omni-channel retail solutions firm. We added strength to our digital commerce business as well as to our customer experience offerings.

APAX Partners, as investor in Zensar with an in-depth industry experience in the technology space, plays a key role in partnering us in creating more value for our customers and in return for our shareholders.

We are confident that each of the key initiatives we launched in FY17, will provide us with a steady foundation and help us create a vibrant digital enterprise for the future.

H V Goenka
Chairman

"Digital today has become a catalyst as well as a foundation for global enterprises who are looking for visible outcomes for their investments. In this context, Zensar has made firm strides to fortify its offerings. This year saw the company lead by example in taking to market several digital solutions designed to change the way enterprises run and manage their business.



CEO's Note

At the outset, I would like to acknowledge the extensive support and encouragement extended to me by Zensarians across our global locations, the leadership, the Board and our investors. We embarked on a new path last year, setting ourselves an ambitious goal of being a 100% living digital company and a new Zensar. It gives me immense pleasure to share with you that we have moved from a traditional to a digital enterprise in a short span of 12 months. This is a feat which not many companies can boast of globally. Due to this exercise we are a living example of our Return on Digital® strategy, having built a strong foundation to connect the digital dots for our customers. At the beginning of FY17, we had clearly identified digital as the growth lever for our business and I am glad to share that at the close of FY17, digital accounted for more than 30% of our business.

The company's Return on Digital® strategy, introduced in FY17, has enabled our customers to look beyond current investments, towards realising visible business benefits in their digital transformation journey. This is our clear differentiator and value proposition.

Tectonic changes in the external environment are impacting us and the business of our customers; it is our responsibility to scale up with new solutions, enhanced capabilities and a future-ready posture. We have responded to various political shifts like the US immigration policies, Brexit etc. by reskilling initiatives, maintaining a balanced workforce and planning ahead for all contingencies. The size and scale of our operations make us nimble to absorb business dynamics more effectively than our industry peers.

Technology adoption has seen a rapid change with the emergence of robotics, Blockchain, machine learning, virtual reality and AI complementing mainstream IT. Your company has launched various offerings in some of these areas, which have been well received by customers and analysts. All market trends point towards global companies moving sizeable investments towards digital and emerging technologies.

Our acquisition of Professional Access (PA) three years ago was in line with our objective to being more relevant to our customer's digital business. Our recent acquisition of Foolproof, a leading experience design company in the UK, is in line with our strategy of being a holistic digital partner to our customers. Digital, in our view, is about creating business impact, and the experience of end customers is a pertinent refrain these days, and a prominent concern of especially the Chief Marketing Officer, who is our critical target customer. Our second acquisition of Keystone Logic, a leading digital supply chain company, adds depth to our omnichannel competencies. Zenlabs, our global innovation center has been set up in Pune, with the charter to lead investments into the future in areas such as machine learning, Artificial Intelligence, IoT, enterprise voice assistant and more.

Your company is also increasing its focus on creating intellectual property and has filed about nine patents in the last few quarters. For us, whatever we do or introduce, must be transparent and accessible to all our constituents. This includes our employees, customers and partners. For the first time, an external Customer Satisfaction Survey was undertaken to gain insights into how our customers view our relationship and how we can improve their experience of working with us. We are glad to see their trust in our consistent delivery excellence and commitment of each and every one working in projects.

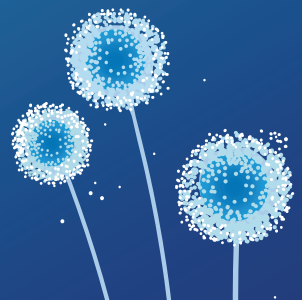
The stage is set for us to deliver on each of our objectives to accelerate business growth, enhance employee experience and invest in long-term profitable customer relationships.

The imagery popularly associated with a dandelion flower is the one where you see someone wishing for something as the petals flutter away in the breeze. This flower, which is a weed; has the intrinsic power to make you believe in something so surreal.

It is our belief that your company is poised firmly to take the next leap to accelerated growth and expansion, aiming to succeed on the digital highway.

Sandeep Kishore
Chief Executive Officer and Managing Director

"The company's Return on Digital® strategy, introduced in FY17, has enabled our customers to look beyond current investments towards realising visible business benefits in their digital transformation journey. This is our clear differentiator and value proposition."



At Zensar – We are 'Living Digital'

Over the past year, we have been Living Digital, through the experience of transforming Zensar into a Digital Enterprise, by building proficiencies in delivering Return on Digital®. And that extraordinary journey is our key differentiator.

30+ Digital Applications	50+ Digitalised Processes	100% Associate Adoption

Our team of over 500+ associates across consulting, technology and change management have truly delivered the Digital experience at Zensar, powered by Zensar's Return on Digital® Platform.

Technology. Lifestyles. Progress.

There is a growing conviction that technology will disrupt workplaces.

Even as early as 2020, 50% of the world's population will comprise millennials who will invest considerably more in technologies that catalyse innovation, services and workplace communication *(Source: Deloitte Report)*.

Digitalisation will account for the largest share of cutting-edge technologies that can potentially transform our tomorrow.

Interestingly, the big story is not what digitalisation may achieve; it is that by 2018, 70% of all the digital investments may actually under-perform their potential, and will fail due to insufficient collaboration, integration and lack of change management. *(Source: 2016 IDC Future Scape CIO Agenda Prescription*)

Zensar's Return on Digital® represents an effective insurance in this challenging environment. We map key impact indicators and track quantifiable benefits to ensure smooth change management – helping organisations benefit from their digitalisation journeys.

The company's comprehensive service bouquet empowers customers to maximise returns from their digitalisation investments especially around the four key pillars of – Employee Engagement; Operating Productivity; Reporting and Dashboarding and Customer/Partner Engagement.

Zensar's solution validates the point that when you work with a specialised partner, it is possible to transform digitalisation investments into business-strengthening margins, efficiency and viability.

Zensar's distinctive Return on Digital® proposition

Zensar's Return on Digital® represents one of the most exciting developments for companies worried whether their investments will at all generate positive returns.

Zensar's digitalisation solutions possess an established track record of having strengthened the business of its customers.

This is because Zensar's solutions are relevant across sectors. The company's solutions address the corporate ecosystem comprehensively reaching deep into drivers that maximise returns.

Zensar's digitalisation solutions commence by addressing employees. The result: enhanced employee engagement leading to superior innovation leading to higher efficiency.

Zensar's digitalisation enhances information access. Result: improved information access by around 50%; enhanced productivity by 10-15%; superior customer satisfaction by a measurable 25%.

Zensar's digitalisation has enhanced operating efficiency. Result: enhanced sales and revenue predictability through single-point access to financial information.

Zensar's solutions have accelerated sales. Result: 200-500 bps increase in bid conversion success, 8-12% quicker time to close deals and sales acceleration by 2-5%.

Zensar's CIO dashboard has enhanced access to information in real-time. Result: improved return on IT and digital spending by 2-5%, increased IT operations visibility by around 33% and effective cost allocation.

Zensar's Digital Partnering proposition has strengthened organisational responsiveness. Result: Increase in digital adoption by 10-20%, moderated operating expenses by 10%.

These solutions make it possible for companies to generate sizable and measurable gains, enhancing their competitiveness in challenging market spaces.

With Zensar's extraordinary experience in living digital we proactively help our clients identify and implement digital via configurable and customisable solutions - Engaging Digital, Operating Digital, Managing Digital and Partnering Digital, focusing on the four prime stakeholders in any business.

Zensar's sizable digital domain expertise

At Zensar, the superior digital value that we profess for customers has been largely drawn from the rich digital transformation we have achieved within our own company in the first place.

In the last few years, we have implemented more than 30 digital applications within Zensar, more than 50 digitalised processes, more than 200,000 downloads and the complete employee adoption of digital process.

The result is that Zensar is a digital evangelist spreading the gospel of its own positive experience.

Complementing this is Zensar's rich understanding of businesses and geographies: more than 500 associates with consulting, technology and change management competencies have worked with a large number of multi-sector customers, making it possible to apply diverse experiences to contemporary customer realities in the pursuit of enduring business solutions.

Zensar also brings to the customer's table a complement of diverse, large and niche capabilities.

The result is that Zensar's time-tested competencies consistently generate superior customer value in the shortest time.

Reinforcing its respect as a partner that is truly Living Digital and practicing the Return on Digital® philosophy.

I - Engaging Digital

- Ease of access of required information improved by 50%
- Productivity improvement by 10-15%
- Customer satisfaction improved by 25%

Employee solutions to enhance employee innovation, efficiency and engagement

- Digital platform for knowledge and insights
- Conversation with the CEO
- Crowdsourcing ideas and making them happen
- Digital one-stop HR platform
- Company policies at finger tips

II - Operating Digital

- Sales and revenue predictability
- Digital time-sheets and related cost allocations/ revenue recognition
- Single digital platform for all financial information and transactions
- CIO dashboard
- Digital platforms for management meetings and review
- CHRO dashboard
- Customised digital solutions for customer engagement

Mobility solutions to enable accelerated sales

- 200-500 bps increase in bid conversion rates
- Reduction of 8-12% in time taken to close the deal
- Sales acceleration by 2-5%

Mobile CIO dashboard showcasing real time and automated data

- Improved return on IT and digital spending by 2-5%
- Increased visibility in IT operations by 33% approximately
- Effective cost allocation

III – Managing Digital

Helping CXOs, top executives and management councils manage their business more effectively through timely and accurate reporting and dashboarding.

- Faster decisions backed by real-time and automated data
- Improved visibility by 33% on operations through drill downs
- On-the-go accessibility
- Increased Return on Digital® spend through better investment allocation

IV - Partnering Digital

Improved customer experiences through smart customer self service and support powered by customised chatbots technology, or customer acquisition through omnichannel and personalisation, or even tools to empower intermediaries like agents, partners, brokers etc.

- Increased digital adoption by 10 – 20% of customers for services and support transactions
- Enhanced customer experience through intuitive, easy-to-use and fast interface
- Reduced operating expenses up to 10% related to support by automation and in-built intelligence high response time
- 80% positive influence on purchase decision through brand/product recall
- Higher Return on Digital® marketing in terms of expansion in customer base and yield per customer

Zensar is effectively 'reshaping manufacturing for the future'

In a competitive global manufacturing environment, margins are thinning.

Interestingly, proactive manufacturers are seeing enhanced hope from a convergence of technologies – especially digitalisation – that is making it possible to identify and plug operational inefficiencies.

Zensar is being increasingly respected the world over as a potent business transformation partner possessing digital-age credentials across the manufacturing value-chain.

One, Zensar possesses years of rich experience in working with Global 2000 manufacturing giants, a rare insight into how cutting-edge technology applications can enhance competitiveness.

Two, Zensar brings to contemporary manufacturing challenges its proprietary 'Return on Digital®' proposition; this protects core IT systems and drives modernisation, integration and front-end digital agility.

Three, Zensar has, over the years, developed cutting-edge solutions and intellectual properties aligned with manufacturing imperatives; its industry-leading supply chain consulting and benchmarking services enhance performance management; its digital-based supply chain traceability solution empowers enterprises to improve CSAT by 30%.

Zensar provides solutions that strengthen the business core of its customers; its inventory solution enhances the customer's competitiveness; its Lean Warehousing solution moves customers towards minimum/zero obsolete inventory; its solutions moderate up to 80% supply chain disruptions; its smart manufacturing solution enhances automation and integration as a basis of informed decision-making.

Zensar's 'Digital Factory' offering reduces asset downtime by 30%; its IoT-powered Digital Factory provides end-to-end services for IoT solutions integration; its analytics IntelliZen (more than 150 KPIs) provide real-time supply chain monitoring and decision-making.

Besides, Zensar's 'Quote-to-Cash' process management services – respected as among the industry's best - significantly increases the 'perfect order index', resulting in higher customer satisfaction scores, operational seamlessness and margins.

The result: an increasing number of manufacturing customers now perceive in Zensar a long-term business partner enhancing their competitiveness.

Quote to Cash

Addressing every order for a near $50 B Fortune 500 company
Product or service; traditional or e-commerce; direct or channel; one-time or subscription; local or global
*Booked, processed and shipped by **Zensar***

Simplified and seamless

$200 B+ Oil Company, one of the world's largest
12 disparate and complex B2B commerce systems
Operational simplicity and seamlessness
*Experience Design for B2B Commerce solution by **Zensar***

Integrations

Near $ 20 B leading manufacturing conglomerate
Acquisitions-led growth
Challenging business integration issues across 18 joint ventures
*Successfully addressed by **Zensar***

Zensar's digital solutions are maximising retail effectiveness

In the competitive business of modern retail, even a modest percentage improvement in operating dynamics can significantly enhance profitability.

In this rapidly-evolving space, Zensar provides industry-leading solutions across sectors – supermarkets, hypermarkets, e-tailers and omnichannels; within each, Zensar provides a comprehensive retail solution suite coupled with end-to-end services.

The company derives more than 22% revenues from its Retail vertical, making it the highest among Top 20 IT players listed in NASSCOM rankings.

The result is that Zensar is widely respected as a specialist; its engagement with some of the most successful global retail brands comprises marquee clients in US, UK, Africa and the

No glitches

Near $ 20 B leading fashion retailer
3 Million online transactions during the seasonal retail rush
*Digital commerce implementation and support by **Zensar***

Digital commerce

Large specialty children's toys retailer
Outlets in 13 countries
Needed to provide a uniform and efficient consumer experience
*Digital commerce rollout across 13 countries by **Zensar***

Custom applications to digital

Largest partner-owned UK retailer
Zensar partner of choice for 10 years
Zensar covering 75% of retail systems landscape
***Zensar** strategic 'Traditional to Transformational' partner*

Middle East; Zensar's multi-year customer engagement has translated into attractive financial impact and business-strengthening case-studies.

Zensar has helped graduate retail customers from legacy to digital; its investment in latest technologies and best partner ecosystem has helped deliver best-in-industry solutions; Zensar is the largest Digital solutions provider specialised in Oracle eCommerce (ATG).

The complement of these realities has made Zensar a go-to service provider in the global retail industry – through omnichannel commerce, experience management and the digital store.

Zensar's positive financial impact for retail clients

In a thin-margin global retail business, Zensar provides an unambiguous proposition. Zensar brings to a customer's business challenge a complement of differentiating solutions: proprietary solutions, frameworks and accelerators; the company's end-to-end digital commerce portfolio facilitates faster time-to-market, higher RoIs and lower total cost of ownership.

Zensar's Merchandise Planning and Execution helped a prominent supermarket chain customer halve the stock-to-sales ratio; it reduced 'out-of-inventory' management solution for a leading retailer and enhanced revenues by 18%. Zensar's supply chain solution reduced non-usage truck times for an East African retailer by 70%; the proportion of DC delivery for a supermarket chain increased to 55%.

Even as Zensar helped impact an estimated $ 8.25 B market capitalisation for retail customers in the last three years, it has embarked on enabling global retail enterprises transform into an exciting Retail 4.0 era.

Zensar's deep retail engagements

- Decade-long partner of choice for major UK-based departmental and supermarket retailer
- Digital commerce solutions provider for US-based department store enterprise
- Online retail partner of large company having improved online conversion by 25%

Zensar's digitalised insurance services

The insurance sector has emerged as one of the most exciting global digital opportunities.

The industry remained virtually unchanged for more than a century; then in the space of just a decade, the sector was marked by new product and operating models.

The sector presents one of the most significant digital opportunities: 51% global insurers run their business around the legacy mainframe system; 80% mainframe programmes are more than 50 years old, warranting a complete transformation.

Zensar is a competent transformation partner in a legacy-driven insurance sector with a premium on turning 'Digital Insurer'. The company's offerings – technical debt management, app modernisation services and maintenance-led modernisation – are woven around Cloud Services, Robotic Process Automation, Managed Analytics Solutions, Zensar Customer 360 Solution, Mobility and Testing. The result is a complete contemporarisation of a legacy insurance company into a competitive modern service provider.

What makes Zensar's solutions effective for insurance companies is its distinctive 'Return on Digital®' framework. This comprises cutting-edge solutions and intellectual property customised around sectoral imperatives, stability of core systems, cross-over and digitalisation, leading to direct business impact, enhanced margins and business sustainability. The company's business is marked by more than 1000 practitioners, 55% automation (best-in-class) and a rich experience of having worked with more than 120 global customers.

Zensar's superior value proposition has translated into enduring partnerships with some of the world's most successful insurers. Zensar's engagement has translated into enhanced business agility (faster claims settlement, reduction in payments settlement cycle), reduced TCO (lower IT support cost) and enhanced efficiency (consistent experience across all business lines; reduced claims cost ratio).

Zensar's marquee insurance clients

- Forbes Global 100 life insurance, pensions and annuity products giant
- Fortune 500 Speciality insurer with over $30+ billion assets

A number of innovative new customer focused solutions have been developed for the industry including Blockchain, Robotic Process Automation and Core System Transformation, which have been of tremendous value to our customers.

Zensar's superior proposition

- Worked with near $10 B Fortune 500 insurer
- $500 M recoverable via analytics
- 30% increase in customer base for a segment
- 25% operational cost reduction
- $13 million net subscriber enrolment
- $225 M revenue through online web portals sales

Strategic technology partnership by ***Zensar***

It is time to sew together the fragmented pieces of digital transformation to experience the impact.

It is time to orchestrate structures, systems and processes into digital at the organisational level.

It is time to throw out single improvements and focus on complete transformation.

It is time to live digital.

Making the world inclusive

At Zensar, we believe that a holistic approach that reconciles People, Planet and Profits helps widen the circle of influence.

Zensar's interventions for wider community benefit comprise digital literacy, employability enhancement, environmental sustenance and urban slum community development. The difference is that Zensar co-creates these spaces with multiple stakeholders, resulting in engagement, sustainability and enduring benefits.

Zensar's CSR programs are directed at holistic change across various intervention areas. The company works at the grassroots or through partner NGOs who share similar values. The programs are designed to enhance individual empowerment and destiny transformation. The effectiveness of Zensar's engagement ensures the achievement of desired change in at least 20% of the demographic groups of focus with the objective of generating a 'ripple effect' thereafter. Zensar achieves scale and reach through 'replication of demonstrable models' generated by individual leaders and change agents.

The programmes

Udaan English Proficiency Centre: The Udaan English Centre programme helps individuals develop an English proficiency and self-learning capability.

Digital Literacy: Digital literacy centres, aligned with the National Digital Literacy Mission, provide individuals a wider exposure, enabling them to exercise the power of the digital platform. The digital mobile centres have been commissioned through public-private partnerships with Pune Municipal Corporation.

School Transformation Programme: The School Transformation programme provides a foundation for holistic learning in government schools. The development of world-class 'knowledge spaces' such as digital lab, library and science lab in addition to building faculty leadership capabilities are making these schools a thriving educational environment.

Volunteering: Zensar encourages volunteering by its associates who work with communities to donate, support and participate, driving 'active citizenship' volunteering.

Slum Development Model: Zensar's slum community development model provides safe spaces that empower individuals and communities to rise to their full potential.

Udaan Biodiversity Park: Zensar's Udaan Biodiversity Park, a park in Pune, represents a public- private partnership with Pune Municipal Corporation benchmarked around international standards.

**Zensar's CSR efforts are implemented by the RPG Foundation, a public charitable trust set up to undertake CSR for RPG Enterprises*

Colors of Dreams – Stories of Transformation

'Colors of Dreams' is a collection of stories from Zensar CSR beneficiaries.

This collection celebrates stories of individual grace under pressure, grit in adversity and triumph against the odds. The celebration comprises stories of children, women and groups from humble backgrounds fighting the daily drudgery of adversity without giving up.

Whether it is *Amol Kasbe* who was part of the Gender Equality Programme who finds himself transformed and now extends this message to peers and other community members. Or *Padmavathy Rayilu* who lost her garment factory job and underwent a Tailoring Programme to start her own boutique, and stood economically strong for her ailing husband. Or *Suvarna Gade* who, having undergone the *Digital Literacy Programme,* felt confident to have her niece married to a prospective groom by validating his claims of financial security through the land records information on the internet. These have been stories of transformation at the grassroots.

These stories and many more embody values of Equality, Dignity, Freedom, Empathy, Creativity and Integrity, that form the edifice of Zensar's CSR efforts.

DIRECTORS'

REPORT & ANNEXURES 2016-17

Directors' Report

Dear Members,

Your Directors are pleased to present their 54th Annual Report together with the Audited Financial Statements, Directors Report and Annexures for the year ended 31st March, 2017.

FINANCIAL SUMMARY:

The Financial summary is as under:

Standalone

(₹ Crores)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Income from operations	1,282.82	1,245.28
Miscellaneous Income	11.68	52.74
Total	1,294.50	1,298.02
Profit Before Taxation	252.98	324.27
Profit After Taxation	180.22	238.22
Proposed Dividend	31.41	-
Transfer to General Reserves	100	140

Consolidated

(₹ Crores)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Income from operations	3,060.38	2,951.87
Miscellaneous Income	19.27	53.84
Total	3,079.65	3,005.71
Profit Before Taxation	348.62	416.87
Profit After Taxation	238.37	292.30

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

On standalone basis, during the financial year 2016-17, your Company recorded total income of ₹ 1,294.50 Crore comprising Income from Software Development and Allied Services of ₹ 1,282.82 Crore, and other income of ₹ 11.68 Crore. The Company recorded a net profit of ₹ 180.22 Crore reflecting a decrease of 24.3%.

On consolidated basis, your Company has maintained growth with Total income of ₹ 3,079.65 Crore comprising Income from Software Development and Allied Services of ₹ 3,060.38 Crore and other income of ₹19.27 Crore. The Consolidated Net profit was ₹238.37 Crore reflecting a decrease of 18.4%.

BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS

The global IT landscape is in the midst of highly disruptive technology trends driving widespread digital adoption. Digital has taken center-stage, as global enterprises get prepared for Machine Learning, Blockchain, Gaming, Artificial Intelligence, and Robotics towards transforming their business. There is increased investment in research and development efforts to leverage the benefits offered by the combination of cognitive and emerging areas across digital.

According to Gartner*, 'Digital technology platforms are the building blocks for a digital business and are necessary to break into digital. Every organization will have some mix of five digital technology platforms: Information Systems, Customer Experience, Analytics and Intelligence, The Internet of Things and Business Ecosystems. Companies should identify how industry platforms will evolve and plan ways to evolve their platforms to meet the challenges of digital business.'

The worldwide IT-BPM spend through 2016 saw a 4 percent growth amounting to USD 1.2 trillion in 2016. The growth over previous year was largely contributed by investments in cloud infrastructure and buyers' acceptance of the cloud model. There was an increase in BPM by 4 percent largely due to BPaaS adoption

across industries, Robotic Process Automation and adherence to government compliances.

It was important for us to be the digital company first, before helping customers with their digital transformation. In this context, a concerted effort was made at the start of FY17 to create enterprise applications for both internal and external purposes. The challenge was to take the lead at becoming a breathing living digital company, before taking our offerings to the market. Over the last year we have invested strategically in becoming a living digital company. About 5 percent of our workforce is working on developing digital solutions. So far we have created 30+ enterprise class applications that includes one-of-its-kind conversation platform with the CEO, the ZenVerse. Here, the CEO answers each question personally and ensures that if there is a good suggestion, the suggestion is incorporated or if there is an issue, corrective recourse is taken. The other apps are built to enable business processes across functions in the organization like HR, Finance, Delivery etc.

With the changing demand of skills there was a need to ensure our teams are future proofed, and we took the initiative to reskill our workforce ensuring they are more in-tune with customer needs. This involved the launch of a digital training academy that helps employees learn new skills, relearn existing ones and be digitally enabled professionals. This initiative has also been externally recognized with an Industry award.

The year gone by was characterized by emerging areas of automation coming alive in the way of personal digital assistants, robots making an appearance in households to take on basic chores, driverless vehicles etc. led by AI and Machine Learning. All these disruptions grew at a faster pace than the earlier years, making it a connected digital eco-system. The impact and influence of these emerging digital platforms was experienced by customers, users, businesses, factories and various processes.

Your company's Return on Digital® strategy, introduced last year laid the foundation for a 'Living Digital' company. Our initiatives to make your company a 100 percent digital company, was a success, as both employees, customers and our extended universe of influencers like analysts and the media fraternity acknowledged. This also helped in fortifying our go-to-market positioning as we took large leaps toward our stated goals. This is our clear differentiator and value proposition.

All the digital centric initiatives undertaken by your company have resulted in digital contributing to 29.8% of overall revenues. The changes in geo-political headwinds, as well as disruptive digital forces did impact the overall industry performance. In this context, your company continued building on its strong digital portfolio with year ended revenues reported at INR 3,056 Crore, a growth of 4% over the previous year's revenues of INR 2,938 Crore. The profits after tax were at INR 238.37 Crore, marking an 18.5% decrease over the previous year's PAT at 292.30 crores. Your company retains its reputation and position as one of the IT companies with a steady performance through 2016-17.

There were two acquisitions made in the year under review. The acquisition of Foolproof Ltd. along with its subsidiaries, one of Europe's leading independent experience design agencies added to our overall customer centric digital offerings for the CMO segment. Our second acquisition of Keystone Logic INC, a leading Omnichannel and Digital Supply Chain company added more value to our digital commerce business.

In addition many new services and solutions were launched in the year to align to customer needs and to provide them with additional value. Our Infrastructure Management Services maintained significance with introduction of a unique offering that has received much attention from the market – The Vinci™, Zensar's Intelligent Managed Services Platform. In addition our offerings in newer areas like Robotic Process Automation (RPA) enabled us to chart new opportunities. Our Bots went live at many customer firms in an attempt to automate their processes and to give them greater value for their time. We also successfully launched our Gaming Centre of Excellence (CoE) to establish our expertise in this exciting category.

Our focus on chosen verticals of Manufacturing, Retail and Consumer Goods, Banking, Financial Services and Insurance, and on key markets of the US, UK and South Africa remained constant.

Our customer engagement strategy was revisited with a strategic decision to manage a smaller set of clients, with a view to ensure that our clients got increased attention from us with enhanced focused on improved delivery standards. The introduction of the 'three-in-a box' approach for our top 30 growth client accounts included a robust representation of our offerings with a team comprising a client engagement representative, a delivery lead and a digital evangelist. Within these accounts the focus is on larger deal sizes, leveraging our relationships and deepening them through

meaningful and value adding conversations, as a true transformation partner. This strategic initiative helped your company remain ahead of the curve in the practice of customer centricity and heightened engagement.

Our offerings were recognized by leading market analysts, adding to our thought leadership position. Your company was recognized by leading research analysts like Gartner, Forrester, and ISG Insights etc. We were positioned in the Gartner's Oracle Magic Quadrant for Oracle Application Services, North America. Some of the key recognitions include being featured as a Niche and Established service provider in Zinnov Zones - Digital in Retail 2016; Digital Commerce Service Provider in Gartner 2017 Digital Commerce Vendor Guide, a Strong Performer in Forrester Wave - Application Outsourcing Capabilities of Midsize Offshore Vendors, 2016; Gartner Magic Quadrant for Managed Mobility Services to name a few.

Our Digital Commerce business saw many marquee logos being added to our portfolio. The addition of Keystone Logic to this business unit, opened up new avenues for us. We are considered an end-to-end robust digital commerce provider with a strong digital supply chain offering now in tow.

Our Oracle business saw many additions, as we went live with widespread implementations across worldwide customers. Our capabilities in the context of Oracle Cloud, added potential to generate new opportunities in a growing space.

USA continued to be the largest market for your company. While, we are taking cognizance of the proposed sweeping changes that are taking shape in this region, we will continue to build value and offer visible business outcomes to our customers in America. UK and Europe were in the throes of new policies and regulations due to Brexit. South Africa saw currency fluctuations in the Rand. Our regional performance was consistent, despite these volatilities.

FY17 has been a watershed year for your company with the successful introduction of new organization-wide initiatives that impact customers, employees, our investors and the community we operate in. The year gone by was about translating Return on Digital® into actionable outcomes and initiatives. Your company is poised to ride on the crest of changes emerging across the futuristic digital landscape.

(*Reference: Gartner's Top 10 Strategic technology Trends 2017; URL:

http://www.gartner.com/smarterwithgartner/gartners-top-10-technology-trends-2017/)

EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as “Annexure A”.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, 6 (Six) 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 Board committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Banking Committee, 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.

There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

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 31st March, 2017, 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 31st March, 2017 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.

INDEPENDENCE OF THE BOARD

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent as on March 31, 2017 in terms of the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 :

1. Mr. A. T. Vaswani
2. Mr. Sudip Nandy
3. Mr. Venkatesh Kasturirangan
4. Ms. Madhabi Puri Buch

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS AND DISCLOSURES ON THE REMUNERATION OF THE 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 and Form MGT 9 which forms part of this Report.

NOMINATION & REMUNERATION POLICY

The Company's policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 (3) is enclosed with this Report as Annexure B.

EXPLANATION AND COMMENTS ON AUDITOR'S AND SECRETARIAL AUDIT REPORT

The Statutory Auditor's Report does not contain any qualification, disclaimer, reservation or adverse remark.

Further, the Secretarial Audit Report does not contain any qualification, disclaimer, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The full particulars of the loans granted are mentioned in the Note No. 6d and 32 of Notes to Accounts pursuant to Section 186 (4) read with the Companies (Meetings of Board and its Powers) Rules, 2014. The purpose for granting the loan was to meet the gap in working capital.

Full particulars of investments made are stated in Note No. 6a in the Notes to Accounts.

RELATED PARTY TRANSACTIONS

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

All Related Party Transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature. The actual transactions entered into pursuant to the omnibus approval so granted are placed at quarterly meetings of the Audit Committee.

The Company has formulated a Policy on related party transactions. This policy as approved by the Board and is uploaded on the Company's website on the below link:

http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/Policy%20on%20Related%20Party%20Transactions.pdf

TRANSFER TO RESERVE

Your Directors propose to transfer a sum of ₹ 100 Crore to General Reserve.

DIVIDEND

Your Company had reported satisfactory profit levels in the first three quarters of the current financial year. Continuing with the Company's tradition of rewarding the Members, Interim dividend of ₹ 5/- per share aggregating to ₹ 224,154,030/- was paid in the month of February, 2017.

Further, the Board recommends a final dividend of ₹ 7/- per equity share of face value of ₹10/- each (70%) on the paid-up equity share capital of the Company for the year under review. The total pay-out will amount to ₹314,115,466/-.

The Company has adopted a Dividend Distribution policy during the year under review and the same is enclosed to this report as Annexure M.

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 31st March, 2017 to which the financial statements relate and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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 service 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 C" to this report.

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. The report clearly states development and implementation of a Risk Management Policy for the company including identification therein of elements of risks along with risk mitigation plan.

CORPORATE SOCIAL RESPONSIBILITY

At Zensar, we believe in the Triple Bottomline (3P) approach that is, ensuring a sustained and holistic approach to People, Planet and Profit. In fact, Commitment to People and Communities is one of the three core values of Zensar, and the spirit of Corporate Social Responsibility (CSR) runs across the organization whether it be through the commitment and involvement of senior leadership, exceptional volunteering practices or the extensive exposure to CSR at the time of induction of new recruits. Some CSR activities at Zensar are undertaken through RPG Foundation, which in turn is committed to undetake CSR activities across all group companies of RPG. Zensar is proud to say that over 20% of associates volunteer their time and energy, aligning with the CSR programs.

A few of the highlights in the areas of **Community Development, Digital Literacy, Employability Enhancement and Environment Sustenance** are:

- *Integration of community development:* Having worked with three slum communities and a village, the CSR programs are now in a position to integrate the various learning spaces (Adopted Schools, Community Development Centres and Udaan English Proficiency Centres) and engagement programs of gender Equality, distress addressing networks and mentoring programs). This year saw the emergence of Economic Development Program; in the light of demonetization in December 2016. This program will enable our communities to save more, look at individual and household financial management and link it to various skills/vocations they want to train on. In Anjaiah Nagar Mandal Parishad School, the School Monitoring Committees (SMC) was formed to bring together teachers and parents together formally. Three knowledge spaces of Library, Digital Lab and Science Lab was launched along with Education Board and Pune Municipal Corporation officials. Udaan English Centre, a flagship program is now replicated across Community Development Centres in Pune – the program would be scaled up across locations in the coming Financial Year.
- *National Digital Literacy Mission (NDLM) centers and buses:* In the year 2016-17, the digital literacy program run by CSR at Zensar continues to be a leader amongst corporates in working towards the National Digital Literacy Mission wherein at least one person from every household in India, should be digitally literate by the year 2020. We achieved 95% digital literacy in the communities of Anjaiah Nagar and Yamuna Nagar. Overall, we have trained 3500 people across 12 communities through 5 physical centres and 3 mobile buses. We continue in our efforts to spread digital literacy amongst the underprivileged and spearhead this mission. The digitally literate candidates benefitted during the demonetization, as they were familiar with the technical options available to them. The youth checked the results of their 10th, 12th and final year graduation online at our digital centres.
- *The Employability Skills Development program has expanded significantly during the year 2016-17.* Under this program more than 1500 students from Tier-2 and Tier-3 engineering colleges received 200+ hours of employability related trainings in technical, digital and behavioural skills. After completion of the training, around 68% of students received job offers from various companies. In

addition, livelihood generation programs in the areas of Tailoring, Data Entry, Administrative Assistant, Retail Assistant etc. were undertaken for the benefit of underprivileged communities in Pune & Hyderabad.

- *Environment Sustenance:* The 2-acre Biodiversity Park which was developed by Zensar Foundation in September 2012 in partnership with the PMC, is maintained actively. The park continues to attract an average of 300 visitors daily. In May 2016 an Urban Gardeners' club was launched to build a network of communities around the park are passionate about the planet. Various Biodiversity sessions were conducted through out the year at the park and at Zensar's campus to spread the message of Environment. Volunteers continued their efforts in co-building the terrace garden at Late Hambirao Moze School, Pune; and organised clean up drives across Pune city. Volunteers in Hyderabad also dug rainwater harvesting pits in for Gachibowli Mandal Parishad School.

These are just a few of the activities undertaken in the year 2016-17. Through working in missions such as NDLM and Swachh Bharat and programs such as those of NSDC (National Skills Development Mission), CSR continues to align itself with local, state and national government policies. We look forward to further expansion in the coming years in terms of outreach as well as impact.

The Company had an outlay to spend ₹ 574.00 Lakhs during the year 2016-17 on CSR activities. As on 31st March, 2017 Company has spent ₹ 558.79 Lakhs. This was the third year of CSR spent as required under the Companies Act, 2013. The Company has evaluated appropriate programs and projects to scale up in the chosen areas of CSR spends during the year 2016-17 and accordingly the unspent amount this year was minimal to the extent of ₹ 15.21 Lakhs. The Company shall strive to complete its entire CSR obligation going forward.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, following changes have occurred in the Board of Directors as well as Key Managerial Personnel:

1. Dr. Ganesh Natarajan ceased to be Vice-Chairman and Managing Director and demitted the office of directorship w.e.f. 30th April, 2016 on expiry of his term. The Board records its appreciation of the valuable contribution made by Dr. Natarajan in the growth of the Company during his tenure as Vice-Chairman and Managing Director of the Company;
2. Mr. Manoj Jaiswal has been appointed as Chief Financial Officer of the Company w.e.f. 16th January, 2017 in place of retiring Chief Financial Officer Mr. S Balasubramaniam;
3. Mr. P. K. Mohapatra, Non-executive Independent Director passed away on 13th March, 2017. The Board records its deep appreciation of the services rendered by Late Mr. Mohapatra during his tenure as a Director of the Company.

SUBSIDIARY COMPANIES

Your Company along with subsidiaries provides digital solutions and technology services globally. A Report on the performance and financial position of each of the subsidiaries pursuant to Rule 8 (1) and Form AOC 1 read with Rule 5 of Companies (Accounts) Rules, 2014 is annexed as Annexure E and forms a part of this Report.

The Wholly Owned Subsidiary Company in UK has acquired one of Europe's leading experience design agencies Foolproof Limited headquartered in London along with its two wholly owned subsidiary companies in UK and one wholly owned subsidiary Company in Singapore in November, 2016.

The Wholly Owned Subsidiary Company in USA has acquired Keystone Logic Inc. a leading Omnichannel and Digital Supply Chain Company, headquartered in Atlanta, USA in March, 2017.

Further, the Company entered into a definitive agreement to acquire the business of Keystone Logic Solutions Private Limited on March 30, 2017.

Mr. Sandeep Kishore, Managing Director and CEO has not received any commission during the year from the Company nor any of its subsidiary companies.

The Company has framed policy for determining material subsidiaries as per requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has uploaded the same on website and link for the same is as below:

http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/Zensar%20Policy%20for%20determining%20material%20subsidiaries.pdf

Stand-alone Financial Statements and Consolidated Financial Statements of your Company along with its subsidiaries, prepared in accordance with the relevant

Accounting Standards issued by The Institute of Chartered Accountants of India, forms a part of this Annual Report.

DEPOSITS

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 BUSINESS

During the year under review, there was no change in the nature of the business.

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 which forms part of this Report.

INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL REMUNERATION) 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 F- 1 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.	Please refer Annexure F- 2 to this Report for details
3	The percentage increase in the median remuneration of employees.	The percentage increase in the median remuneration of employees on India Payroll was 8%* during the financial year 2016-17
4	The number of permanent employees on the rolls of company.	6,451
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.	Considering 0% increment associates, average percentile increase is 48.3rd percentile & excluding 0% increment associates, average percentile increase is 48.2nd Percentile.
6	The key parameters for any variable component of remuneration availed by the Directors.	The variable component of remuneration availed by the Directors is based on Profit After Tax reported by the Company at the end of each financial year and recommendation of Nomination and Remuneration Committee.
7	Affirmation that the remuneration is as per the remuneration policy of the company.	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.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism 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 whistle blower policy is uploaded on the website of the Company on the link below.

http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/Model_Whistle_blower_policy.pdf

INTER SE RELATIONSHIPS BETWEEN THE DIRECTORS

There are no relationships between the Directors inter se.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has conducted Familiarization programme and the details of the same has been uploaded on the website of the Company on the link below:

http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/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 SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee laid down a criteria for evaluating Board's effectiveness by assessing performance of the Board as a whole, performance of individual director and Committees of the Board namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Banking Committee and Corporate Social Responsibility Committee. The Board approved the criteria laid down by Nomination and Remuneration Committee for evaluating Board's effectiveness and engaged a third party agency to conduct Board's effectiveness survey during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report is given as a separate section in this Annual Report and is annexed to this Report as "Annexure G".

AUDITORS

Statutory Auditor:

Pursuant to the provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board at its Meeting held on 20th December, 2016 had appointed M/s. Deloitte Haskins and Sells LLP as Statutory Auditors of the Company for the Financial Year 2017-18, subject to approval of the Members in ensuing Annual General Meeting in place of the retiring Statutory Auditors M/s Price Waterhouse whose term expires as per the relevant provisions of the Companies Act, 2013 read with Rules formed thereunder.

Members are requested to confirm and approve their appointment.

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, a firm of 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 H".

The Board has reappointed M/s SVD & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18.

Internal Auditors:

The Board had appointed Ernst and Young LLP as Internal Auditors for the financial year 2016-17 under Section 138 of the Companies Act, 2013 and they have completed the internal audit as per scope given by the Audit Committee for the financial year 2016-17.

The Board has reappointed Ernst & Young LLP as Internal Auditors of the Company for the financial year 2017-18.

CORPORATE GOVERNANCE

Your Company continues to benchmark itself with the best-of-the-breed practices as far as corporate governance standards are concerned. Your Company has complied with the requirements provided in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance report on the various requirements under the said clause along with the practicing Company Secretary's certification thereof is provided in the corporate governance section of this report at "Annexure I"

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) for granting term based and performance based Stock Options to employees and these schemes are being implemented as specified by Securities Exchange Board of India in this regard.

Company has rolled out Employee Performance Award Unit Plan, 2016 (EPAP 2016) and granted Performance Award Units (PAUs) to the employees for the first time in year under review.

In the financial year 2016-17, 9,500 equity shares were allotted under 2002 ESOS and 2,32,710 equity shares were allotted under 2006 ESOS. No equity shares were allotted under 2016 EPAP. The Disclosures in compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in this respect are stated in "Annexure J" to this report.

Disclosures for the financial year ended 31st March, 2017 regarding 2002 ESOS, 2006 ESOS and 2016 EPAP in terms of Companies (Share Capital and Debentures) Rules, 2014 are as below:

Particulars	2002 ESOS	2006 ESOS	2016 EPAP
Options granted	NIL	2,13,000	2,53,818
Options vested	43,950	2,45,658	NIL
Options exercised	9,500	2,32,710	NIL
The total no of shares arising as a result of exercise of option	9,500	2,32,710	NIL
Options lapsed/cancelled during the year	5,428	2,21,594	NIL
The exercise price	Exercise Price for each grant is different and decided by the Nomination and Remuneration Committee as per the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 prevailing at the time of grant.	Exercise Price for each grant is different and decided by the Nomination and Remuneration Committee as per the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 prevailing at the time of grant.	₹ 10/-
Variation of terms of options	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.
Money realized by exercise of options	₹ 1,10,46,250	₹ 4,52,11,470	NIL
Total no of options in force	43,950	7,88,678	2,53,818
Employee wise details of options granted to:			
Key Managerial Personnel (KMP)	No new options were granted to KMPs during the year under review.	No new options were granted to KMPs during the year under review.	No new options were granted to KMPs during the year under review except grant of 1,25,000 PAUs to Mr. Sandeep Kishor
any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NIL	**Name of Employee** / **No of Options** Mr. John Blackburn: 1,25,000 Indranil Roychoudhary: 40,000 Raju Hari: 12,000 Sandeep Peshkar: 12,000 Chandra Tripurani: 12,000 Anjali Deodhar: 12,000	**Name of Employee** / **No of PAUs** Sandeep Kishore: 1,25,000 Ajay Bhandari: 20,000 Malay Verma: 12,500

Particulars	2002 ESOS	2006 ESOS	2016 EPAP
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL	NIL	NIL

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

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

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 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 complaints. The following is the summary of complaints received and disposed off during the year under review:

Number of complaints received and disposed off	1

MATERIAL TRANSACTIONS WITH RELATED PARTIES

The Company has not entered in to any 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.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report under Regulation 34 (2) (f) of the SEBI (LODR) Regulations, 2015 forms a part of this Director's Report and annexed herewith as Annexure L.

ACKNOWLEDGEMENTS

We take this opportunity to thank all the shareholders, customers, suppliers, bankers, business partners / associates, financial institutions associated with the Company for their continued support.

I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the IT Services industry.

We further thank the governments of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, the Software Technology Parks (STPs) / Software Development Centres (SDCs) / Special Economic Zones (SEZs) and all other government agencies for their support and look forward for their continued support in future.

For and on behalf of the Board

Sd/-

H.V. Goenka
Chairman

Place: Pune
Dated: 25th April, 2017

Annexure A to the Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2017

[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, if any	Bigshare Services Private Limited Address: E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E), Mumbai 400 072 India Tel. No. 022-40430200 | Fax No. 022- 28475207 Email ID: investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. 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	95.45

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Zensar Technologies Inc., USA	Not Applicable	Subsidiary	100%	2(87)(ii)
2	Professional Access Limited, USA	Not Applicable	Subsidiary	100%	2(87)(ii)
3	PSI Holding Group Inc., USA	Not Applicable	Subsidiary	100%	2(87)(ii)
4	Zensar Technologies IM Inc., USA (erstwhile Akibia Inc.)	Not Applicable	Subsidiary	100%	2(87)(ii)
5	Zensar Technologies IM B.V., Netherlands(erstwhile Akibia B. V.)	Not Applicable	Subsidiary	100%	2(87)(ii)
6	Aquila Technology Corp., USA	Not Applicable	Subsidiary	100%	2(87)(ii)
7	Zensar Technologies (Shanghai) Co. Ltd., China	Not Applicable	Subsidiary	100%	2(87)(ii)
8	Zensar Technologies (Singapore) Pte. Ltd., Singapore	Not Applicable	Subsidiary	100%	2(87)(ii)
9	Zensar (South Africa) Proprietary Limited, South Africa	Not Applicable	Subsidiary	75%	2(87)(ii)
10	Zensar (Africa) Holdings Proprietary Limited , South Africa	Not Applicable	Subsidiary	100%	2(87)(ii)
11	Zensar Technologies (UK) Limited, UK	Not Applicable	Subsidiary	100%	2(87)(ii)
12	Foolproof Ltd., UK	Not Applicable	Subsidiary	100%	2(87)(ii)
13	Flow Interactive Ltd., UK	Not Applicable	Subsidiary	100%	2(87)(ii)
14	Knit Ltd., UK	Not Applicable	Subsidiary	100%	2(87)(ii)
15	Foolproof (SG) Pte. Ltd., Singapore.	Not Applicable	Subsidiary	100%	2(87)(ii)
16	Keystone Logic Inc., USA	Not Applicable	Subsidiary	100%	2(87)(ii)

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

i) Category-wise Share Holding as of March 31, 2017

Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	777	-	777	0.002	2,45,846	-	2,45,846	0.55	0.55
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	213,52,114	-	213,52,114	47.84	215,82,750	-	215,82,750	48.10	0.26
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	**213,52,891**	**-**	**213,52,891**	**47.84**	**218,28,596**	**-**	**218,28,596**	**48.64**	**0.80**
(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)	**213,52,891**	**-**	**213,52,891**	**47.84**	**218,28,596**	**-**	**218,28,596**	**48.64**	**0.80**

Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,21,821	750	2,22,571	0.50	7,96,293	750	7,97,043	1.78	1.28
b) Banks/ FI	12,161	1,685	13,846	0.03	7,868	1,166	9,034	0.02	-0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,000	500	1,500	0.003	1,000	500	1,500	0.003	0.00
g) FIIs	46,89,158	1,350	46,90,508	10.51	49,90,242	1,350	49,91,592	11.12	0.61
h) Foreign Portfolio Investor	15,96,776	-	15,96,776	3.58	11,96,017	-	11,96,017	2.67	-0.91
i) Alternate Investment Fund	4,873	-	4,873	0.01	2,32,226	-	2,32,226	0.52	0.51
j) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
k) Others (specify)	-	-	-	-	-	-	-	-	-
Sub -total (B) (1) ;-	**65,25,789**	**4,285**	**65,30,074**	**14.63**	**72,23,646**	**3,766**	**72,27,412**	**16.11**	**1.48**

Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a)									
i) Bodies Corporate	7,03,211	12,473	7,15,684	1.60	6,27,754	11,942	6,39,696	1.43	-0.17
ii) Corporate Bodies - NBFC #	4,134	-	4,134	0.01	3,205	-	3,205	0.01	0.00
iii) Clearing Members	62,320	-	62,320	0.14	26,911	-	26,911	0.06	-0.08
iv) Unclaimed Suspense Account	75,184	-	75,184	0.17	74,130	-	74,130	0.17	0.00
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto ₹ 1 lakh	33,29,711	6,00,935	39,30,646	8.81	27,88,430	5,90,059	33,78,489	7.53	-1.28
ii) Individual shareholders holding nominal share Capital in excess of ₹1 lakh	13,77,374	-	13,77,374	3.09	11,34,726	36,000	11,70,726	2.61	-0.48
c) Others (specify)									
(c-i) Overseas Corporate Bodies	103,01,294	-	103,01,294	23.08	103,01,294	-	103,01,294	22.96	-0.12
(c-ii) Non Resident Individuals	2,78,536	1,858	2,80,394	0.63	2,08,605	1,858	2,10,463	0.47	-0.16
(c-iii) Trusts	1,433	-	1,433	0.00	12,716	-	12,716	0.03	0.03
Sub -total (B) (2):-	**161,33,197**	**6,15,266**	**167,48,463**	**37.53**	**151,77,771**	**6,39,859**	**158,17,630**	**35.25**	**-2.28**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**226,58,986**	**6,19,551**	**232,78,537**	**52.16**	**224,01,417**	**6,43,625**	**230,45,042**	**51.36**	**-0.80**

Category of Shareholders	No. of shares at the beginning of the year				No of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**440,11,877**	**6,19,551**	**446,31,428**	**100.00**	**442,30,013**	**6,43,625**	**448,73,638**	**100.00**	**-**

Annexure A to the Directors Report (Contd.)

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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+	120,82,997	27.07	-	121,10,188	26.99	-	-0.09
2	Summit Securities Limited+	49,13,576	11.01	-	49,17,698	10.96	-	-0.05
3	Instant Holdings Limited+	32,78,919	7.35	-	33,93,440	7.56	-	0.22
4	Sofreal Mercantrade Pvt. Ltd.+	10,30,922	2.31	-	11,15,723	2.49	-	0.18
5	Chattarpati Investments Limited	45,700	0.10	-	45,700	0.10	-	0.00
6	Sudarshan Electronics and TV Ltd.	-	-	-	1	0.00	-	0.00
7	Mr. Harsh Vardhan Goenka$	774	0.00	-	2,16,216	0.48	-	0.48
8	Mr. Harsh Vardhan Goenka#	1	0.00	-	1	0.00	-	0.00
9	Mr. Harsh Vardhan Goenka@	1	0.00	-	1	0.00	-	0.00
10	Mr. Harsh Vardhan Goenka^	1	0.00	-	1	0.00	-	0.00
11	Mr. Harsh Vardhan Goenka##	-	-	-	1	0.00	-	0.00
12	Mr. Harsh Vardhan Goenka@@	-	-	-	1	0.00	-	0.00
13	Mr. Harsh Vardhan Goenka	-	-	-	29,625	0.07	-	0.07
	Total	**213,52,891**	**47.84**	**-**	**218,28,596**	**48.64**	**-**	**0.80**

\+ The variation in the % is due to chage in the paid-up share capital of the Company pursuant to allotment of equity shares under ESOP Schemes during the financial year 2016-17
$ Holds shares as a Trustee of Crystal India Tech Trust
\# Holds share as a Trustee of Nucleus Life Trust
@ Holds share as a Trustee of Stellar Energy Trust
^ Holds share as a Trustee of Monitor Portfolio Trust
Holds share as a Trustee of Secura India Trust
@@ Holds share as a Trustee of Prism Estates Trust

iii) Change in Promoters' Shareholding:

Sr. No.	For each of the Promoter	Shareholding at the beginning of the year / changes during the year		Cummulitive shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Swallow Associates LLP**				
	At the begenning of the year	**120,82,997**	**27.07**	**120,82,997**	**27.07**
	Increase / Decrease during the year				
	Purchase on June 06, 2016	12,539	0.03	120,95,536	27.10
	Purchase on June 07, 2016	4,725	0.01	121,00,261	27.11
	Purchase on June 09, 2016	9,927	0.02	121,10,188	26.99
	At the end of the year			**121,10,188**	**26.99**
2	**Instant Holdings Limited**				
	At the begenning of the year	**32,78,919**	**7.35**	**32,78,919**	**7.35**
	Increase / Decrease during the year				
	Purchase on August 16, 2016	14,203	0.03	32,93,122	7.38
	Purchase on August 18, 2016	19,106	0.04	33,12,228	7.42
	Purchase on August 22, 2016	32,608	0.07	33,44,836	7.49
	Purchase on August 24, 2016	21,291	0.05	33,66,127	7.54
	Purchase on August 29, 2016	17,995	0.04	33,84,122	7.58
	Purchase on September 01, 2016	9,318	0.02	33,93,440	7.56
	At the end of the year			**33,93,440**	**7.56**

Annexure A to the Directors Report (Contd.)

3	**Sofreal Mercantrade Private Limited**				
	At the begenning of the year	**10,30,922**	**2.31**	**10,30,922**	**2.31**
	Increase / Decrease during the year				
	Purchase on November 23, 2016	1,100	0.00	10,32,022	2.31
	Purchase on November 24, 2016	4,915	0.01	10,36,937	2.32
	Purchase on November 29, 2016	6,849	0.02	10,43,786	2.34
	Purchase on December 02, 2016	17,525	0.04	10,61,311	2.38
	Purchase on December 06, 2016	5,918	0.01	10,67,229	2.39
	Purchase on December 08, 2016	3,555	0.01	10,70,784	2.40
	Purchase on December 12, 2016	5,976	0.01	10,76,760	2.41
	Purchase on December 14, 2016	5,199	0.01	10,81,959	2.42
	Purchase on December 16, 2016	33,764	0.08	11,15,723	2.49
	At the end of the year			**11,15,723**	**2.49**
4	**Chattarpati Investments Limited**				
	At the begenning of the year	**45,700**	**0.10**	**45,700**	**0.10**
	Increase / Decrease during the year	-	-	45,700	0.10
	At the end of the year			**45,700**	**0.10**
5	**Sudarshan Electronics and TV Limited**				
	At the begenning of the year	**-**	**-**	**-**	**-**
	Increase / Decrease during the year				
	Purchase on June 06, 2016	1	0.00	1	0.00
	At the end of the year			**1**	**0.00**
6	**Summit Securities Limited**				
	At the begenning of the year	**49,13,576**	**11.01**	**49,13,576**	**11.01**
	Increase / Decrease during the year				
	Purchase on November 08, 2016	4,122	0.01	49,17,698	10.96
	At the end of the year			**49,17,698**	**10.96**
7	**Mr. Harsh Vardhan Goenka$**				
	At the begenning of the year	**774**	**0.002**	**774**	**0.002**
	Increase / Decrease during the year				
	Purchase on June 13, 2016	4,606	0.01	5,380	0.01
	Purchase on June 15, 2016	9,095	0.02	14,475	0.03
	Purchase on June 20, 2016	8,457	0.02	22,932	0.05
	Purchase on June 23, 2016	10,833	0.02	33,765	0.08
	Purchase on June 27, 2016	9,744	0.02	43,509	0.10
	Purchase on June 30, 2016	2,970	0.01	46,479	0.10
	Purchase on July 25, 2016	5,292	0.01	51,771	0.12
	Purchase on August 09, 2016	31,075	0.07	82,846	0.19
	Purchase on August 11, 2016	15,975	0.04	98,821	0.22
	Purchase on November 10, 2016	10,331	0.02	1,09,152	0.24
	Purchase on November 15, 2016	16,986	0.04	1,26,138	0.28
	Purchase on November 17, 2016	4,525	0.01	1,30,663	0.29
	Purchase on November 18, 2016	9,830	0.02	1,40,493	0.31
	Purchase on November 21, 2016	3,759	0.01	1,44,252	0.32
	Purchase on November 22, 2016	1,457	0.003	1,45,709	0.32
	Purchase on November 23, 2016	10,100	0.02	1,55,809	0.35
	Purchase on December 23, 2016	34,712	0.08	1,90,521	0.42
	Purchase on February 09, 2017	11,345	0.03	2,01,866	0.45
	Purchase on February 13, 2017	5,821	0.01	2,07,687	0.46
	Purchase on February 15, 2017	8,529	0.02	2,16,216	0.48
	At the end of the year			**2,16,216**	**0.48**

Annexure A to the Directors Report (Contd.)

Sr. No.	For each of the Promoter	Shareholding at the beginning of the year		Cummulitive shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	**Mr. Harsh Vardhan Goenka#**				
	At the begenning of the year	**1**	**0.00**	**1**	**0.00**
	Increase / Decrease during the year				
	At the end of the year			**1**	**0.00**
9	**Mr. Harsh Vardhan Goenka@**				
	At the begenning of the year	**1**	**0.00**	**1**	**0.00**
	Increase / Decrease during the year				
	At the end of the year			**1**	**0.00**
10	**Mr. Harsh Vardhan Goenka^**				
	At the begenning of the year	**1**	**0.00**	**1**	**0.00**
	Increase / Decrease during the year				
	At the end of the year			**1**	**0.00**
11	**Mr. Harsh Vardhan Goenka##**				
	At the begenning of the year	**-**	**-**	**-**	**-**
	Increase / Decrease during the year				
	Purchase on April 05, 2016	1	0.00	1	0.00
	At the end of the year			**1**	**0.00**
12	**Mr. Harsh Vardhan Goenka@@**				
	At the begenning of the year	**-**	**-**	**-**	**-**
	Increase / Decrease during the year				
	Purchase on January 12, 2017	1	0.00	1	0.00
	At the end of the year			**1**	**0.00**
13	**Mr. Harsh Vardhan Goenka**				
	At the begenning of the year	**-**	**-**	**-**	**-**
	Increase / Decrease during the year				
	Purchase on November 02, 2016	29,625	0.07	29,625	0.07
	At the end of the year			**29,625**	**0.07**

$ Holds share as a Trustee of Crystal India Tech Trust
# Holds share as a Trustee of Nucleus Life Trust
@ Holds share as a Trustee of Stellar Energy Trust
^ Holds share as a Trustee of Monitor Portfolio Trust
Holds share as a Trustee of Secura India Trust
@@ Holds share as a Trustee of Prism Estates Trust

Annexure A to the Directors Report (Contd.)

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

Sr. No	Name of the Share Holders	Date	No. of Shares at the begining/end of the year	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	Marina Holdco (FPI) Ltd.	01-Apr-16	103,01,294	0	NA	103,01,294	22.96
		31-Mar-17	103,01,294	0	NA	103,01,294	22.96
2	Fidelity Advisor Series I - Fidelity Advisor Small Cap Fund	01-Apr-16	35,00,000	0		35,00,000	7.80
		12-Aug-16		-1262411	Sale	22,37,589	4.99
		19-Aug-16		-269540	Sale	19,68,049	4.39
		16-Sep-16		-19663	Sale	19,48,386	4.34
		30-Sep-16		-65425	Sale	18,61,554	4.15
		07-Oct-16		-5660	Sale	18,55,894	4.14
		14-Oct-16		-9778	Sale	18,46,116	4.11
		21-Oct-16		-78067	Sale	17,68,049	3.94
		30-Dec-16		-114286	Sale	16,53,763	3.69
		06-Jan-17		-7967	Sale	16,45,796	3.67
		13-Jan-17		-10326	Sale	16,35,470	3.64
		20-Jan-17		-50843	Sale	15,84,627	3.53
		27-Jan-17		-35797	Sale	15,48,830	3.45
		03-Feb-17		-18365	Sale	15,30,465	3.41
		10-Feb-17		-5842	Sale	15,24,623	3.40
		17-Feb-17		-92383	Sale	14,32,240	3.19
		24-Feb-17		-8463	Sale	14,23,777	3.17
		03-Mar-17		-261322	Sale	11,62,455	2.59
		10-Mar-17		-294406	Sale	8,68,049	1.93
		31-Mar-17	8,68,049	0		8,68,049	1.93
3	Amansa Holdings Private Limited	01-Apr-16	9,341	0		9,341	0.02
		08-Apr-16		91677	Buy	1,01,018	0.23
		15-Apr-16		7712	Buy	1,08,730	0.24
		22-Apr-16		3846	Buy	1,12,576	0.25
		29-Apr-16		258588	Buy	3,71,164	0.83
		06-May-16		175734	Buy	5,46,898	1.22
		13-May-16		4817	Buy	5,51,715	1.23
		20-May-16		26331	Buy	5,78,046	1.29
		27-May-16		4354	Buy	5,82,400	1.30
		03-Jun-16		18738	Buy	6,01,138	1.34
		10-Jun-16		1039	Buy	6,02,177	1.34
		17-Jun-16		3994	Buy	6,06,171	1.35
		24-Jun-16		1787	Buy	6,07,958	1.35
		29-Jul-16		32622	Buy	6,40,580	1.43
		12-Aug-16		1298233	Buy	19,38,813	4.32
		19-Aug-16		113876	Buy	20,52,689	4.57
		26-Aug-16		20896	Buy	20,73,585	4.62
		02-Sep-16		10830	Buy	20,84,415	4.65
		09-Sep-16		67920	Buy	21,52,335	4.80
		16-Sep-16		25796	Buy	21,78,131	4.85
		30-Sep-16		47624	Buy	22,25,755	4.96
		07-Oct-16		8675	Buy	22,34,430	4.98
		14-Oct-16		2725	Buy	22,37,155	4.99
		21-Oct-16		33532	Buy	22,70,687	5.06
		04-Nov-16		28254	Buy	22,98,941	5.12
		11-Nov-16		1471	Buy	23,00,412	5.13
		30-Dec-16		101714	Buy	24,02,126	5.35
		06-Jan-17		28518	Buy	24,30,644	5.42
		03-Feb-17		17854	Buy	24,48,498	5.46
		10-Mar-17		286020	Buy	27,34,518	6.09
		17-Mar-17		162635	Buy	28,97,153	6.46
		24-Mar-17		4702	Buy	29,01,855	6.47
		31-Mar-17	29,01,855	0		29,01,855	6.47

Annexure A to the Directors Report (Contd.)

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

Sr. No	Name of the Share Holders	Date	No. of Shares at the begining/end of the year	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
4	Fidelity Puritan Trust-Fidelity Low-priced Stock Fund	01-Apr-16	8,00,000	0	NA	8,00,000	1.78
		31-Mar-17	8,00,000	0	NA	8,00,000	1.78
5	HDFC Trustee Company Ltd. A/c- HDFC Children's Gift Fund - Investment Plan	01-Apr-16	0			0	0.00
		19-Aug-16		123000	Buy	1,23,000	0.27
		26-Aug-16		19600	Buy	1,42,600	0.32
		02-Sep-16		2600	Buy	1,45,200	0.32
		09-Sep-16		11600	Buy	1,56,800	0.35
		30-Sep-16		12466	Buy	1,69,266	0.38
		07-Oct-16		5934	Buy	1,75,200	0.39
		28-Oct-16		14351	Buy	1,89,551	0.42
		11-Nov-16		22930	Buy	2,12,481	0.47
		25-Nov-16		33100	Buy	2,45,581	0.55
		09-Dec-16		19000	Buy	2,64,581	0.59
		30-Dec-16		50000	Buy	3,14,581	0.70
		20-Jan-17		49000	Buy	3,63,581	0.81
		03-Mar-17		4052	Buy	3,67,633	0.82
		10-Mar-17		100000	Buy	4,67,633	1.04
		17-Mar-17		70500	Buy	5,38,133	1.20
		31-Mar-17	5,38,133	0		5,38,133	1.20
6	VIVOG Commercial Limited	01-Apr-16	3,33,035	0	NA	3,33,035	0.74
		31-Mar-17	3,33,035	0	NA	3,33,035	0.74
7	Ashish Kacholia	01-Apr-16	2,58,350	0	NA	2,58,350	0.58
		31-Mar-17	2,58,350	0	NA	2,58,350	0.58
8	Narendra Kumar Agarwal	01-Apr-16	2,50,000	0	NA	2,50,000	0.56
		31-Mar-17	2,50,000	0	NA	2,50,000	0.56
9	Ganesh Natarajan	01-Apr-16	1,92,764	0		1,92,764	0.43
		27-May-16		-500	Sale	1,92,264	0.43
		03-Jun-16		-3000	Sale	1,89,264	0.42
		08-Jul-16		-80000	Sale	1,09,264	0.24
		17-Feb-17		362	Buy	1,09,626	0.24
		31-Mar-17	1,09,626	0		1,09,626	0.24
10	DSP Blackrock 3 Years Close Ended Equity Fund	01-Apr-16	1,87,528	0		1,87,528	0.42
		30-Dec-16		-83188	Sale	1,04,340	0.23
		06-Jan-17		-24559	Sale	79,781	0.18
		10-Feb-17		-7779	Sale	72,002	0.16
		17-Feb-17		-72002	Sale	0	0.00
		31-Mar-17	0	0		0	0.00
11	Sunita Kabra	01-Apr-16	1,78,000	0	NA	1,78,000	0.40
		31-Mar-17	1,78,000	0	NA	1,78,000	0.40
12	Suresh Kumar Agarwal	01-Apr-16	0	0			
		23-Sep-16		250000	Buy	250000	0.56
		31-Mar-17	250000			250000	0.56

Annexure A to the Directors Report (Contd.)

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

Sr. No	Name of the Share Holders	Date	No. of Shares at the begining/end of the year	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
13	IIFL Asset Revival Fund Series 2	01-Apr-16	0	0			
		22-Apr-16		51300	Buy	51300	0.11
		29-Apr-16		36900	Buy	88,200	0.20
		06-May-16		14500	Buy	1,02,700	0.23
		13-May-16		602	Buy	1,03,302	0.23
		20-May-16		5001	Buy	1,08,303	0.24
		27-May-16		10697	Buy	1,19,000	0.27
		03-Jun-16		5877	Buy	1,24,877	0.28
		10-Jun-16		21635	Buy	1,46,512	0.33
		29-Jul-16		19500	Buy	1,66,012	0.37
		16-Sep-16		6641	Buy	1,72,653	0.38
		23-Sep-16		561	Buy	1,73,214	0.39
		30-Sep-16		2000	Buy	1,75,214	0.39
		14-Oct-16		3786	Buy	1,79,000	0.40
		21-Oct-16		8492	Buy	1,87,492	0.42
		28-Oct-16		1508	Buy	1,89,000	0.42
		04-Nov-16		1000	Buy	1,90,000	0.42
		11-Nov-16		3118	Buy	1,93,118	0.43
		03-Feb-17		12673	Buy	2,05,791	0.46
		17-Mar-17		1819	Buy	2,07,610	0.46
		31-Mar-17	2,07,610			2,07,610	0.46
14	Dimensional Emerging Markets Value Fund	01-Apr-16	1,55,505				
		22-Apr-16		1134	Buy	1,56,639	0.35
		10-Jun-16		1866	Buy	1,58,505	0.35
		17-Jun-16		853	Buy	1,59,358	0.36
		24-Jun-16		985	Buy	1,60,343	0.36
		01-Jul-16		1513	Buy	1,61,856	0.36
		12-Aug-16		330	Buy	1,62,186	0.36
		30-Sep-16		1093	Buy	1,63,279	0.36
		11-Nov-16		935	Buy	1,64,214	0.37
		31-Mar-17	1,64,214			1,64,214	0.37

Annexure A to the Directors Report (Contd.)

v) Shareholding of Directors and Key Managerial Personnel:

Sr. 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 01.04.16 /end of the year 31.03.17	% of total shares of the Company				No. of shares	% of total shares of the Company
	Shareholding of Directors:							
1)	Mr. Harsh Vardhan Goenka - Non Executive Chairman	-	-	01.04.2016				
				02.11.2016	29,625	Market Purchase	29,625	0.07
		29,625	0.07	31.03.2017				
2)	Dr. Ganesh Natarajan, Vice Chairman & Managing Director (till April 30, 2016)	1,92,764	0.43	01.04.2016				
				27.05.2016	-500	Market Sale	1,92,264	0.43
				03.06.2016	-3,000	Market Sale	1,89,264	0.42
				08.07.2016	-80,000	Market Sale	1,09,264	0.24
				17.02.2017	362	Market Purchase	1,09,626	0.24
		1,09,626	0.24	31.03.2017				
3)	Mr. Ajit Vaswani, Independent & Non-ExecutiveDirector	10,000	0.02	01.04.2016	-	Nil movement during the year	-	-
		10,000	0.02	31.03.2017				
	Shareholding of Key Managerial Personnel:							
1)	Mr. S. Balasubramaniam, Chief Financial Officer	37,164	0.08	01.04.2016				
				12.08.2016	-2,000	Market Sale	35,164	0.08
				02.09.2016	8,000	ESOP Allotment	43,164	0.10
		43,164	0.10	31.03.2017				
2)	Mr. Manoj Jaiswal, Chief Financial Officer (w.e.f. January 16, 2017)	699	0.00	01.04.2016	-	Nil movement during the year	-	-
		699	0.00	31.03.2017				

Note: The shareholding details are given on the beneficial ownership.
Apart from above no other Director and Key Managerial Personnel holds any shares at the beginning and end of the Financial year 2016-17 in the Company.
Further apart from above there was no increase / decrease in shareholding of any other Director and Key Managerial Personnel.

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 - April 01, 2016	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	1,325.04	-	-	1,325.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.86	-	-	0.86
Total (i+ii+iii)	**1,325.90**	**-**	**-**	**1,325.90**
Change in Indebtedness during the financial year				
* Addition	1,459.13	-	-	1,459.13
* Reduction	1,325.90	-	-	1,325.90
Net Change	133.23	-	-	133.23
Indebtedness at the end of the financial year March 31, 2017				
i) Principal Amount	1,458.27	-	-	1,458.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.13	-	-	0.13
Total (i+ii+iii)	**1,458.40**	**-**	**-**	**1,458.40**

Annexure A to the Directors Report (Contd.)

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the Managing Director		Total Amount (₹)
		Dr. Ganesh Natarajan*	Mr. Sandeep Kishore	
1	**Gross salary**	**(Amount in ₹)**	**(Amount in ₹)**	
	a. Salary as per provisions contained in Section17(1) of the Income-tax Act, 1961	582,64,880	13,42,972	596,07,852
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961**	9,63,587	-	9,63,587
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	**Stock Option**	No new stock options were granted during the year under review	No new stock options were granted during the year under review	
3	**Sweat Equity**	-	-	-
4	**Commission:**			
	- As a % of Profit	-	-	-
	- Others, specify	-	-	-
5	**Others, please specify**			-
	Contribution to PF	69,550	1,61,157	2,30,707
	Contribution to Gratuity	-	-	-
	Contribution to Superannuation Fund	85,706	-	85,706
	Consolidated Allowances	-	-	-
	Car Perquisite	-	-	-
	Sale of Assets (Perquisites)	-		-
	Total (A)	**593,83,723**	**15,04,129**	**608,87,852**
	Ceiling as per the Act - ₹ 25,20,01,200/- (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)			25,20,01,200

Notes :

* Dr. Ganesh Natarajan ceased to be a Vice Chairman and Managing Director and demitted the office of directorship w.e.f. April 30, 2016 due to expiry of his term.

**Excludes the value of employee stock options exercised and provision for compensated absences/Gratuity in respect of separate actuarial valuation reports for key managerial personnel

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors										Total
		Mr. A. T. Vaswani	Mr. P. K. Choksey#	Mr. P. K. Mohapatra	Mr. Venkatesh Kasturirangan	Mr. Sudip Nandy	Ms. Madhabi Puri Buch	Mr. H. V. Goenka	Mr. Arvind Agrawal	Mr. Shashank Singh	Mr. John Levack	
1	**Independent Directors**											
	- Fees for attending Board/ Committee Meetings	12,70,000	-	10,30,000	5,00,000	6,50,000	5,00,000	-	-	-	-	39,50,000
	- Commission	6,50,000	4,87,500	6,50,000	6,50,000	4,87,500	6,50,000	-	-	-	-	35,75,000
	- Others	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	**19,20,000**	**4,87,500**	**16,80,000**	**11,50,000**	**11,37,500**	**11,50,000**	**-**	**-**	**-**	**-**	**75,25,000**
2	**Other Non- Executive Directors**											
	- Fees for attending Board/ Committee Meetings	-	-	-	-	-	-	6,00,000	6,30,000	11,35,000	-	23,65,000
	- Commission	-	-	-	-	-	-	285,75,000	-	3,25,000	3,25,000	292,25,000
	- Others	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**291,75,000**	**6,30,000**	**14,60,000**	**3,25,000**	**315,90,000**
	Total (B) = (1+2)	**19,20,000**	**4,87,500**	**16,80,000**	**11,50,000**	**11,37,500**	**11,50,000**	**291,75,000**	**6,30,000**	**14,60,000**	**3,25,000**	**391,15,000**
	Total Managerial Remuneration*											**10,00,02,852**
	Overall Ceiling as per the Act **	₹ 27,72,01,320 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
Mr. P. K. choksey ceased to be a director from December 26, 2015 due to death.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. S. Balasubramaniam Chief Financial Officer	Mr. Manoj Jaiswal Chief Financial Officer (w.e.f. January 16, 2017)	Mr. Nilesh Limaye Company Secretary	
1	**Gross salary**				
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	80,58,536	26,39,232	37,03,420	144,01,188
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	45,972	-	-	45,972
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	**Stock Option**	No new stock options were granted during the year under review	-	No new stock options were granted during the year under review	-
3	**Sweat Equity**	-	-	-	-
4	**Commission**	-	-	-	-
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	**Others, please specify**	-	-	-	-
	Total	**81,04,508**	**26,39,232**	**37,03,420**	**144,47,160**

Note:
*Excludes the value of employee stock options exercised, if any and provision for compensated absences/Gratuity in respect of separate actuarial valuation reports for key managerial personnel

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (Give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board

Sd/-

H.V. Goenka
Chairman

Place: Pune
Dated: 25th April, 2017

Annexure B to the Directors' Report

NOMINATION AND REMUNERATION POLICY

1. Introduction:

This policy on Nomination and Remuneration of Directors, key Managerial Personnel and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement in order to pay equitable remuneration to Directors, Key Managerial Personnel and other employees of the Company.

2. Objective:

I. Formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director (Executive/non-executive) and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

II. To formulate the criteria for performance evaluation of all Directors.

III. Formulate Board diversity policy.

3. Constitution of the Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee (NRC) on 8th April, 2014 as per Companies Act, 2013.

4. Definitions:

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Company" means Zensar Technologies Limited

"Directors" means Directors of the Company.

"Independent Director" (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder.

"Key Managerial Personnel" (KMP) means

1. Chief Executive Officer or the Managing Director or the Manager; and in their absence, a Whole time Director;
2. Chief Financial Officer; and
3. Company Secretary

"Senior Management Personnel" (SMP) means the employees of the company who are directly reporting to the Managing Director/Chief Executive Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. Matters to be dealt with and recommended by NRC to the Board

The following matters shall be dealt by the Committee:

a) Directors

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrants the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

b) Evaluation of performance

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance. Identifying familiarization and training programs for the Board to ensure that Non- Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities

c) Board diversity

NRC is to assist the Board in ensuring Board nomination process with diversity of gender, thought, experience, knowledge and perspective in the Board in accordance with the Board diversity.

d) Remuneration framework and policies

NRC is responsible for reviewing and making recommending to the Board on the following:

i. The remuneration of MD/CEO and KMPs.

ii. Remuneration of Non-executive Directors and chairman.

iii. Remuneration Policy for all employees including KMPs and SMPs which requires to take note of need to:

a. Attract and motivate talent to accomplish

Company's long term growth.

b. Demonstrate a clear link between executive compensation and performance.

e) Company's stock option schemes.

6. Policy for appointment remuneration, and removal of Director, KMP and SMP:

A. Appointment criteria and qualifications

NRC shall identity person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment.

B. Retirement

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers to be in the Company's interest, shall have the discretion to retain, Director, KMP and SMP even after attaining the retirement age.

C. Removal

In case any Director or KMP incurs any disqualification as provided under the Act or Rules made thereunder or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP.

7. Policy for remuneration to Directors, MD / CEO, KMP, SMP:

MD/CEO:

Remuneration to the MD/CEO shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.

NEDs:

i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and sub Committees of the Board.

ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders whenever required.

iii. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

KMPs & SMPs:

The remuneration to be paid to the KMPs and SMPs, shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition. The remuneration shall be combination of fixed and variable pay.

8. NRC may consider to grant Stock Options to MD/CEO, KMPs, SMPs and other employees pursuant to any Stock Option Plan adopted by the Company.

9. General:

This policy is framed based on the provisions of the Companies Act, 2013 and Rules thereunder and the requirements of Clause 49 of the Listing Agreement with Stock Exchanges. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other Regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

For and on behalf of the Board

Sd/-

H.V. Goenka Place: Pune

Chairman Dated: 25th April, 2017

Annexure C to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

A. RESEARCH & DEVELOPMENT (R&D)

Your Company is pleased to report that Research and Development Program activities (program recognized by Department of Science and Industrial Research (DSIR), Department of Science and Technology, Government of India in September 2008) are on schedule in the following areas:

Innovation Research

In today's world technological innovations are disrupting the industrial, business and governance landscapes at a phenomenal rate. Today, no company, however successful, is secure from the fear of disruption. Consequently, all firms want to know which new technologies pose a threat to their business and how they can effectively respond to it. Your company has continuously innovated our offerings for the benefit of our customers. Our new initiative, Zenlabs located at our main campus in Pune, is focused on helping customers overcome disruptions that arise in their industry. Lab will be staffed by the sharpest minds recruited from within as well as graduates from top academic institutions who will be creating breakthrough solutions powered by technology paradigms AI, IoT, Smart Interfaces and Cloud Computing.

Use of Emerging Technologies (RPA, Blockchain, IoT, Predictive analytics)

Robotic process automation (or RPA) is an emerging form of clerical process automation technology based on the notion of *software robots*. Your company is at the forefront of RPA revolution and has been using our Value+Framework to identify hidden pockets of automation opportunities and deliver process improvements to our global customers across verticals like Manufacturing, Banking, Retail and Insurance etc.

The global interest in Blockchain has been steadily increasing and has caught mainstream attention because of its potential to transform today's businesses. The industry is in early stages of exploration to understand how to leverage the Blockchain concept and the real benefits that can be derived. Your company has been evaluating this emerging technology and has built a unique framework around it.

Your company is evaluating industry leading IoT platforms and build business cases for IoT across manufacturing and retail verticals. Your company is working on couple of assignments in IoT to demonstrate the value from the data generated by sensors, analyzing them and defining the optimum operating model.

Your company is focusing on open source technologies in the area of machine learning, predictive analysis and applying to various business scenarios across verticals and IT operations.

B. TECHNOLOGY ADOPTION AND ASSIMILATION

Technology Adoption

As your company builds new IPs in the area of digitisation, automation platforms, multiple technology practices then build them into their respective service offerings. The newly defined value propositions are then used in existing and new customers.

Zensar's The Vinci integrated managed services platform is bringing agility and efficiency to the management of operational and transformational activities. The Vinci utilizes machine learning for faster provisioning and automated functionality, accommodating rapid changes in the infrastructure engineering and operations environment for private cloud, hybrid and in-premise.

Your company has launched the Blockchain enablement service that assists organizations in Blockchain enabling their business processes by providing answers to questions the industry is grappling with. This service is delivered through our proprietary framework that helps organizations understand Blockchain and take critical decisions related to Blockchain investments.

Intellectual Property

Intellectual Property created by R&D efforts are by law protected by patents, copyrights and trademarks. Companies with large good-quality patent portfolios often emerge as market leaders and have a solid income through mere licensing of patents. Towards creating a high-quality patent portfolio of our own, your company has launched a mobile application for building and managing our patents. Any associate can submit an idea for patenting using the mobile app. The ideas are then presented to experts and legal for evaluation and

approval. Once approved, it is then submitted to patent office in various geographics of strategic interest by our IP lawyers. All subsequent steps till patent grant are also tracked using the mobile application. The entire process is handled digitally with time bound actions. Senior leadership team can get snapshot of patent portfolio at any time using the mobile application.

For and on behalf of the Board

Sd/-

H.V. Goenka Place: Pune

Chairman Dated: 25th April, 2017

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 on the link below: http://www.zensar.com/about-us/corporate-profile
2	The Composition of the CSR Committee.	In accordance with Section 135 of the Companies Act, 2013 and the Rules thereunder, CSR Committee, a sub-Committee of the Board of Directors has been constituted comprising of Mr. Arvind Agrawal, Mr. Sandeep Kishore and Mr. A. T. Vaswani with Mr. Arvind Agrawal as the Chairman of the CSR Committee.
3	Average net profit of the company for last three financial years	₹ 23,682 lakhs
4	Prescribed CSR Expenditure (two per cent. ofthe amount as in item 3 above)	₹ 574 lakhs
5	Details of CSR spent during the financial year.	
	(a) Total amount to be spent for the financial year	₹ 559 lakhs
	(b) Amount unspent, if any	₹ 15 lakhs
	(c) Manner in which the amount spent during the financial year is given below	

(₹ in lakhs)

(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 implementing agency**
			Local Area or Other	**Specify the state and district where projects or programs were undertaken**		**Direct Expenses**	**Overheads**		
1	Donation to RPG Foundation	Sectors covered under Schedule VII appended to the Companies Act, 2013. Brief details of programs are mentioned in Table A below as well as in the Board's Report	Local Area	Pune, Maharashtra & Hyderabad, Andra Pradesh	414	414	-	-	Amount paid directly by the Company to RPG Foundation , An implementing agency and spent by RPG Foundation
2	Training progrmmes for Employability & Skill Development	Employability Enhancement	Local Area	Pune, Maharashtra	160	145	-	-	Directly
	Total				**574**	**559**	**-**	**-**	
Grand Total									

Annexure D to the Directors' Report (Contd.)

6 The reasons for not to spend the two per cent of the average net profit of the last three financial years are stated in Board report

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

Table A

Sr. No.	Programme Details	Sector in which covered
1	Udaan English Proficiency Centre, Health programs, Community mobilization, Gender Equity Program, Mentoring Program, Economic Development Program, School Transformation Program	Community development
2	Training progrmmes for Employability & Skill Development, Unnati employability program, Vocational training (Beauticians course, Customer Retail Management, Data Management)	Employability enhancement
3	Udaan Biodiversity Park, Development of a terrace garden in school, Digging of Rain Water Harvesting Pits	Environment Sustenance
4	National Digital Literacy Centers inAnjaiah Nagar (Hyderabad) , Sudumbre (Pune Rural) , Ambedkar Vasti (Chandan Nagar, Pune) and Yamuna Nagar (Pune) Community and through three Digital Literacy Buses	Digital Literacy

Corporate Social Responsibility Policy – Zensar Technologies Limited

RPG Foundation, a trust established by RPG Group leads Zensar's social outreach programs. Zensar Technologies also undertakes a few CSR programs outside of Zensar 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 and 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 neighbourhood of Zensar locations, so as to engage in an interactive and harmonious relationship with the communities around.

Partnerships

Zensar Foundation is an 'implementing organization' and is directly involved in the CSR projects being undertaken. Collaborative partnerships are formed with both, Government & Non-Government Organisations (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

Sd/-

H.V. Goenka
Chairman

Place: Pune
Dated: 25th April, 2017

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 Lakhs)

1	Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2	**Name of the subsidiary**	**Zensar Technologies Inc, USA**	**Professional Access Limited, USA**	**PSI Holding Group Inc, USA**	**Zensar Technologies IM Inc, USA (erstwhile Akibia Inc.)**	**Zensar Technologies IM B.V., Netherlands (erstwhile Akibia B. V.)**	**Aquila Technology Corp., USA**	**Zensar Technologies (Shanghai) Co. Ltd, China ****	**Zensar Technologies (Singapore) Pte. Ltd.**	**Zensar (South Africa) Proprietary Limited , South Africa**	**Zensar (Africa) Holdings Proprietary Limited , South Africa**	**Zensar Technologies (UK) Limited, UK**	**Foolproof Ltd. UK**	**Flow Interactive Ltd, UK**	**Knit Ltd. UK**	**Foolproof (SG) Pte. Ltd, Singapore.**
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	April 2016 - March 2017	November 2016-March 2017	November 2016-March 2017	November 2016-March 2017	November 2016-March 2017
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsiaiaries	USD Closing Rate 64.85	USD Closing Rate 64.85	USD Closing Rate 64.85	USD Closing Rate 64.85	EUR Closing Rate 69.2925	USD Closing Rate 64.85	CNY Closing Rate 9.4163	SGD Closing Rate 46.4125	ZAR Closing Rate 4.85	ZAR Closing Rate 4.85	GBP Closing Rate 80.9025	GBP Closing Rate 80.9025	GBP Closing Rate 80.9025	GBP Closing Rate 80.9025	GBP Closing Rate 80.9025
5	Share capital	290	0.08	*	-	-	119	505	78	449	61	39	1	0	1	25
6	Reserves & surplus	36,096	1,889	14	8,756	1,286	721	-695	291	2,064	-916	12,633	658	-1	-516	-76
7	Other components of equity	860	-15	332	527	29	80	13	21	-24	97	-1,358	-17	-	7	-
8	Total assets	1,01,655	12,064	403	23,816	12,726	977	228	561	11,235	455	21,972	2,749	0	230	323
9	Total Liabilities	64,415	10,190	57	14,533	11,411	57	405	171	8,746	1,213	10,659	2,107	1	739	374
10	Investments	55,022	-	-	-	-	-	-	-	-	44	6,246	-	-	-	-
11	Turnover	1,40,224	36,731	-	42,914	6,308	2,490	17	904	18,254	-	31,962	3,910	-	214	332
12	Profit before taxation	7,475	1,189	-	-5,382	350	80	-74	-29	1,960	239	5,012	-390	-	-186	67
13	Provision for taxation	3,027	480	-	-1,727	173	-	-	-10	557	-	960	102	-	22	0
14	Profit after taxation	4,448	709	-	-3,655	176	80	-74	-19	1,403	239	4,052	-492	-	-208	67
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	75%	100%	100%	100%	100%	100%	100%

* above companies have nominal amount of ₹ 450 as Share Capital

** Zensar Technologies (Shanghai) Co. Ltd, China local reporting period is from 1st January 2016 to 31st December 2016, However it has been consolidated from 1st April 2016 to 31st March 2017.

Notes :

a. Aquila Technology Corp (Aquila) was an entity acquired as part of the acquisition of PSI Holding Group Inc. A subsequent agreement between the Group and a customer of Aquila lead to loss of control for the Group. Hence with effect from the date of the agreement the Group has deconsolidated Aquila.

b. The Group entered into an agreement on March 30, 2017 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.

1. Names of subsidiaries which are yet to commence operations — Nil
2. Name of subsidiaries which have been liquidated or sold during the year — Nil

Part "B": Associates and Joint Ventures is not applicable to the Company as the Company does not have any Associate Companies and Joint Ventures

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Limited

Amit Borkar
Partner
Membership No. 109846

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: 25th April, 2017

Place: Pune
Date: 25th April, 2017

Annexure F to the Directors' Report

Annexure "F-1"

Sr. No.	Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees of the Company
1	Mr. H. V. Goenka	36.47
2	Dr. Ganesh Natarajan	72.83
3	Mr. Sandeep Kishore	1.68
4	Mr. A. T. Vaswani	2.40
5	Mr. P. K. Choksey	0.61
6	Mr. P. K. Mohapatra	2.10
7	Mr. Arvind Agrawal	0.79
8	Mr. Venkatesh Kasturirangan	1.44
9	Mr. John Levack (Electra Partners Mauritius Ltd)	0.41
10	Ms. Madhabi Puri Buch	1.44
11	Mr. Sudip Nandy	1.42
12	Mr. Shashank Singh (Marina Holdco (FPI) Ltd)	1.83

Notes:

1. Median remuneration of the employees is calculated on the basis of remuneration details of permanent employees on India payroll excluding Managing Director/s.
2. Mr. P. K. Choksey ceased to be a Director on 26th December, 2015 due to death and was paid Commission for the year 2015-16 proportionately in April 2016.
3. Mr. John Levack, Non-executive Director resigned with effect from 9th October, 2015 and was paid Commission for the year 2015-16 proportionately in April 2016.
4. Mr. Sudip Nandy was appointed as Director with effect from 15th July, 2015 and was paid Commission for the year 2015-16 proportionately in April 2016.
5. Mr. Shashank Singh was appointed as Director with effect from 20th October, 2015 and was paid Commission for the year 2015-16 proportionately in April 2016.

Annexure "F-2"

Sr. No.	Name of the Director/ Key Managerial Personnel	Name of the Director/ Key Managerial Personnel	% Increase in the Remuneration
1	Mr. H. V. Goenka	Chairman	30.83
2	Dr. Ganesh Natarajan	Vice Chairman and Managing Director	Refer Note 1
3	Mr. Sandeep Kishore	Managing Director and CEO	Refer Note 2
4	Mr. A. T. Vaswani	Director	27.83
5	Mr. P. K. Choksey	Director	Refer Note 3
6	Mr. P. K. Mohapatra	Director	34.94
7	Mr. Arvind Agrawal	Director	44.83
8	Mr. Venkatesh Kasturirangan	Director	27.78
9	Mr. John Levack	Director	Refer Note 4
10	Ms. Madhabi Puri Buch	Director	70.37
11	Mr. Sudip Nandy	Director	405.56
12	Mr. Shashank Singh	Director	231.82
13	Mr. S Balasubramaniam	Chief Financial Officer	10
14	Mr. Manoj Jaiswal	Chief Financial Officer	Refer Note 4
15	Mr. Nilesh Limaye	Company Secretary	14

Notes:

1. Dr. Ganesh Natarajan ceased to be Vice Chairman and Managing Director on 30th April, 2017 and hence comparable amount of remuneration was not available for determination of percentage increase/decrease in the

remuneration.

2. Mr. Sandeep Kishore was appointed as Managing Director and Chief Executive Officer with effect from 12th January, 2016 and therefore was paid remuneration only a short period of approximately 2.5 months during the year 2015-16. Hence, comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
3. Mr. P. K. Choksey ceased to be a Director on 26th December, 2015 due to death and was paid Commission for the year 2015-16 proportionately in April 2016. Therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
4. Mr. John Levack, Non-executive Director resigned with effect from 9th October, 2015 and was paid Commission for the year 2015-16 proportionately in April 2016. Therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
5. Mr. Manoj Jaiswal was appointed as Chief Financial Officer with effect from 16th January, 2017 and therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.

For and on behalf of the Board

Sd/-

H.V. Goenka	Place: Pune
Chairman	Dated: 25th April, 2017

Annexure G to the Directors Report

Management Discussion And Analysis

Corporate Profile

Zensar is a leading digital solutions and technology services company that specializes in partnering with global organizations across industries on their Digital Transformation journeys. A technology partner of choice, backed by strong track-record of innovation; credible investment in Digital solutions; assertion of commitment to client's success, Zensar 's comprehensive range of digital and technology services and solutions enable its customers to achieve new thresholds of business performance. Zensar, with its experience in delivering excellence and superior client satisfaction through myriad technology solutions, is uniquely positioned to help them surpass challenges around running their existing business most efficiently, helping in their legacy transformation, and planning for business expansion and growth through innovative and digital ways.

Realizing Return on Digital

Your company embarked on an organization-aide strategy of achieving the milestone of being a 100% digital company in FY17. Our go to market approach and positioning revolved around helping our global customer realize, 'Return on Digital™'. Our trademarked approach has been widely accepted across our customers, as we invest our efforts to help them achieve measurable business outcomes from their digital investments. Your company is a "Living Digital" company, as we have internally empowered a global workforce to simplify, enhance and imbibe digital in their daily lives. One of the milestones in this journey, is the swift pace of our transformation from traditional to digital within the short span of one year. We have introduced more than thirty (30) enterprise-class applications, that all been developed in-house. These applications serve as a clear example of our world-class abilities to develop similar offerings to simplify customer's business challenges. We have used our Return on Digital framework to implement a customer centric at the frontlines, which is setting the tone for customer engagement. Your company is in the league of the future-centric entities that knows how to create unlock value from digital investments for its customers by example.

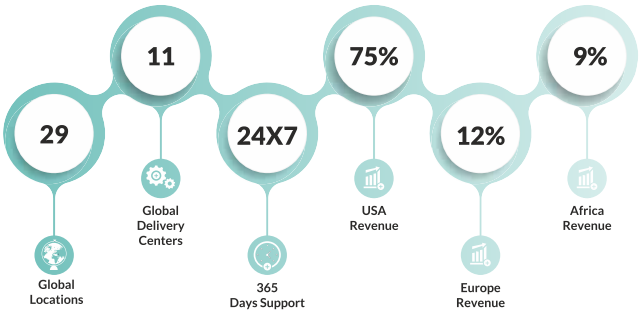
Geographic

Your company is strategically spread across 29 global locations. Our presence in US, Europe, Africa, Middle-East, India and APAC offers us the ease and reach to our global customers located in these regions.

Having 11 global delivery centers, we support customers 365 days, 24x7.

Zensar has delivery centres in India (Pune, Hyderabad, New Delhi, Mumbai and Bangalore), China, UK, Africa (Johannesburg), Amsterdam and US (Westborough).

In terms of the revenue break-up, your company continues to earn 74.2% of its revenue from the US region, 11.6% from Europe and 8.6% from Africa. Our digital reach has expanded with key acquisitions made in FY17. We continue to take cognizance of the impending policy changes in the US, the impact of Brexit and other such happenings. Making digital our key lever and driver for growth has seen us add to our business across these regions.



Clients Overview

Your company took a strategic decision to pare down the number of clients with a view to deepen and enrich our existing relationships and be a value-led partner. It has helped us focus deeply on key clients, opening up new opportunities, to be an expert who can empower them to take the steps towards being a digital-ready enterprise. By working with fewer set of customers, in the context of digital requires a renewed capabilities that transcends sales led relationships. We introduced a three-in-a box approach for our top 30 growth client accounts. Each of these pre-qualified growth accounts had a team comprising of the sales person, delivery lead and a digital evangelist. We have seen the benefit arising from this combination in terms of the attention given to understanding the customer, helping them relate to us better in the process.

Technology trends impacting customer decisions remained exploratory as the possibilities around emerging areas of Artificial Intelligence (AI), Robotic Process Automation (RPA), Blockchain, Machine Learning etc. Your company identified top growth client

relationships, and invested in building a better understanding of the client's challenges, focused outreach through regular communication on our latest initiatives as well as introducing them to our renewed capabilities.

Strengthening our offerings

Your company has remained its competitive edge by enhancing its capabilities, either by organic route or by acquiring companies that add to our strong positioning of being a digital force to reckon with. In FY17, we acquired two niche companies to add depth and breadth to our go to market strategy. In the third quarter, we acquired Foolproof, one of Europe's leading independent experience design agencies. It is now a part of our Digital Application Business. In the fourth quarter, we acquired Keystone Logic, a leading Omnichannel and Digital Supply Chain company. The company helps global retail and consumer brands with implementation of their Order Management and Warehouse Management. Keystone, is now part of the Digital Commerce Services division of Zensar. Both these acquisitions have added new capabilities to our business offerings, making us a robust end to end provider in the context of digital commerce and end user experience design.

Current Strength and Future Projections

The last year has been a highly volatile one with geo-political changes taking centre-stage across the global business landscape. New reforms, policies, and disruptions across the technology space impacted the way customers approached their own business. Brexit in the UK, new administration in the US, growing relevance of machine learning, AI, Robotics etc. made it a dynamic period of change, adoption and a new way of doing things. Your company kept a close watch on the happenings, ensuring that we were prepared to open new opportunities, build on our strengths and remain focused on our objectives, amidst the changes.

One of the key highlights was the successful growth across our digital led business. Digital accounts for 30 percent of our overall business today, driven by both organic growth and our acquisition of Foolproof. We also developed compelling new offerings in newer areas like Robotic Process Automation (RPA) and our Intelligent Managed Service Platform, The Vinci, which has opened up new conversations with customers.

As we continued our focus on large deals, we saw traction in our regions. We continued to refine our IPs and have also filed patent for few of our offerings. We have also initiated the process of filing for patents as a practice and to create clear advantages for us. One of our exciting new solutions, ZenAnalytica is big-data enabled platform for seamless end to end information management. The solution is designed to address complex business problems through rapid, contextual and empowered insights using diversified, disparate and real-time information services. As digital data becomes mainstream, this solution offers global enterprise analytics which generates insights aimed at enabling them to make informed decisions.

Multiple initiatives in the area of going digital, helped us establish our thought leadership, build our relevance and bring about a change in the way we approached our associates too. Our key verticals continued to be manufacturing, retail and consumer, financial services. We saw all verticals contributing to our growth as we added prominent customers. Our first Robot went live at a customer in South Africa making us a clear mover in this exciting new space. We also introduced an external customer satisfaction survey to gauge the pulse of what is working right and areas of improvement for us in the context of maintaining delivery excellence, which has been our long-standing strength. Your company has taken the next steps to build on the digital foundation with new solutions that display the 'Living Digital' posture clearly. These solutions termed under the framework of Return on Digital™ is a unique approach to mapping key impact organizational indicators, by tracking quantifiable benefits. The desired outcome for customers would be the seamless change management aimed at helping organizations benefit from their journey to a digital avatar. This framework aims to achieve this outcome by directly impacting the four pillars of any organization, viz: employees, mid-level management, senior management and customers.

One of the clear differentiators was the analyst recognitions we received across our business services, fortifying our thought leadership position. Your company was recognized by leading research analysts like Gartner, Forrester, and ISG Insights etc. We were positioned in the Gartner's Oracle Magic Quadrant for Oracle Application Services, North America underlining our Oracle expertise and reach. Some of the key recognitions include being featured as a Niche and Established service provider in Zinnov Zones - Digital in Retail 2016; Digital Commerce Service Provider in Gartner 2017 Digital Commerce Vendor Guide, a Strong Performer in Forrester Wave - Application Outsourcing Capabilities Of Midsize Offshore Vendors, 2016; Gartner Magic Quadrant for Managed Mobility

Services to name a few. All the above recognitions by market leading analysts is a clear indicator of the shift we have made in expanding the influencer universe, while remaining at the forefront of innovation and relevance.

We embarked on multiple changes in our people centric practices to make your company a more engaged, transparent and competitive employer. In order to ensure that our people remain ahead of the curve, we introduced an intensive digital training over the year that saw Zensarians get skilled in new technologies, keeping them in tune with the digital focus which was our overall strategy. The entire organization was trained in modules under this initiatives, making them digitally ready to take on new customer challenges, and be the expert they can rely on.

The changes brought in our HR policies were designed to make the environment more inclusive, create opportunities for fair and transparent appraisals, and put into practice the tenets of a great place to work ideals. These initiatives have enabled the workforce to be more involved, feel more valued and contribute to the digital avatar of the company.

The Industry Landscape

The changing headwinds contributed to multiple shifts in the context of global outsourcing landscape. Global IT-BPM market stood at 1.2 trillion in 2016 (excluding hardware). Trends indicate that global sourcing market continued to outperform IT-BPM growth; in 2016 global sourcing grew 1.7X to USD 17-178 billion. India remained ahead at a share of 55% as a sourcing destination. Globally, the sourcing model saw 258 Offshore Development Centers (ODCs) being set up, with little over 53% being set up across Europe and Latin America, about 20 ODCs were set up internationally by Indian companies. This points towards the future trend in nearshore model of business.

At more than 6%, packaged software was the highest contributor, followed by healthcare, financial services investments and SaaS. BPM market stood at USD 183 billion, a 4% growth over 2015, driven by demand for PaaS and analytics. IT services at USD 649 billion 2.5%; increase in digital projects driving demand for consulting services around new projects.

Worldwide IT-BPM Spend

The global landscape for the IT industry is at the cusp of much change, as digital becomes mainstream driving CIO decisions and IT budgets. Conversations are increasing around Blockchain, Robotics, Automation, Machine Learning, Artificial Intelligence etc. The worldwide IT-BPM spend through 2016 saw a growth of 4 percent amounting to USD 1.2 trillion in 2016. The growth rate of 4% over 2015, was largely contributed by investments in cloud infrastructure and buyer's acceptance of the cloud model. There was an increase in BPM by 4% was largely due to BPaaS adoption cross industries, RPA and adherence to government compliances.

Global ER & D spends were little less than 1 percent to USD 1.5 trillion.

Adoption of digital technologies is expected to drive the markets, to an addressable growth for the global IT-BPM likely to expand USD 4 trillion by 2025, a CAGR of 3.6%. The global ecommerce market is USD 33 billion, with a 19% y-on-y growth.

80% of the incremental expenditure will be driven by digital technologies with half of this expenditure to be funded by 20-25% reduction in legacy expenditures. It is expected that the share of digital technology investments in cumulative will rise from 15% in 2016 to 35 % in 2020 and 60% in 2025.

Through last year, 951 ITO contracts were signed worth USD 102.4 billion and 81 BPM contracts worth 8.7 billion were signed globally. Also, 45 IT-BPO deals bundled deals were signed in 2016 with aggregate contract value worth USD 3.9 billion. Deals around digital technologies showed an increase with SMAC deals growing to 16% in 2016 from 11% in 2015 in volume terms, with the share doubling to 8 percent.

Global IT sourcing market remained at a muted pace at 2.5% in 2016, with India's contribution remaining at 67% to the overall growth. The total value of deals was USD 115 billion, with deal volumes up by 21% in 2016, but the value decreased by 28%.

America led deals grew by 67%, followed by UK at 9.2%. IT services deals grew by 32% to 952 in total. SMAC deals were valued at USD 8.3 billion.

The Indian IT-BPM sector currently employs nearly 3.9 million people, an addition of 173,000 over last year. The skills profile will undergo a visible change as companies will focus on reskilling people to work with digital technologies to create more value for end customers.

The global M & As declined by 3% in 2016. Approximately, ¾ of them were focused digital led ones where companies aimed to strengthen their capabilities in the context of analytics or cloud.

In FY17, Indian IT-BPM exports is expected to be USD 117 billion which is a 7.6% growth over 2016 and an addition of USD 8.2 billion. In this mix, IT services accounts for 56% share, followed by BPM at 22.5% and ER & D, and packaged software at little over 21% share.

(Source: NASSCOM Strategic Review 2017)

Service lines

Your company maintained its consistent growth trajectory. Digital led services contributed to 29.8% of the overall business, followed by customized applications at 21%, and Oracle applications at 11%.

Zensar has benefitted from consistent growth due to better operational efficiency as well as customer additions. In FY 17, your company has 3 customers in the USD 20 million segment, followed by 4 customers in the USD 10 million, 7 customers in the USD 5 million segment and an encouraging 72 customers in the USD 1million segment.

Key Partnerships and alliances

Your company has invested in developing strategic partnerships and alliances with key technology players to strengthen our offerings, serve as knowledge exchange and open up new avenues for business. Being an Oracle Platinum partner we continue to add value to customers, as the last year saw multiple projects implemented successfully.

Zensar is a certified SAP Gold partner and we continue to home our skills, by keeping abreast with the latest offerings and learnings from joint initiatives and workshops with SAP.

As we continue our thrust on digital capabilities, we are working towards building relationships with experts in digital commerce, automation, analytics etc.

Focused cost optimization

Your company strives to ensure that cost optimization is practiced across various functions. This involves better governance, planning and overall thrust of operational effectiveness. By going digital, we have simplified processes, built an easy to access eco-system and made important resources like policies etc. easily available, anytime, anywhere.

SEGMENT-WISE PERFORMANCE

For the financial year under consideration, your Company has reported results of the Segments viz. Application Management Services (AMS) and Infrastructure Management Services (IMS).

Secondary segmental reporting is done on the basis of geographical location of clients.

The performance of these segments has been separately reported in Consolidated Segment wise Revenue, Results & Capital employed for the year ended 31st March, 2017 of the Consolidated Financial statements of the Company.

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management program at Zensar aims at protecting shareholder value and your company's business from potential risks from various environments the company operates in. 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, potentials risk area in various economic, social and industry environments Zensar operates. The risks are identified along with leading key risk indicators and assigned Risk Champions to monitor such risks as well as conducts periodic assessment of these risks. 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.

Risk management is a key business driver of Zensar's strategy in competitive market place and is linked to plan of achieving its long-term goals and overall governance under the supervision of the Board of directors. Your 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 Board of Directors, Management Council Members, respective Function and Country heads.

Risk Management Process:

The risk management process undertaken at Zensar is set of coordinated activities described as follows:

Risk Governance	Risk Identification and Evaluation	Risk Mitigation & Response	Risk Monitoring & Reporting
• Board and Audit Committee to oversee and manage risks on various parameters. • Risk Council to identify, define and update risk threshold. • Senior Management to define and ensure implementation of Mitigation measures • Business Units and Function Heads responsible for Transactional risks and Mitigation thereof.	• External and Internal Risk factors to be identified in context of Operational Strategy. • Risk factors potentially affecting performance vis-à-vis these stated objectives to be identified. • Defining criteria for determining consequence and probability of risks • Prioritization and evaluation on parameters such as Insignificant, Minor, Major and Critical	• Draw a mitigation plan. • Assign Risk Champions and ownership for mitigation plan. • Define timelines and key indicators for mitigation plans. • Define Risk Response as Tolerate, Treat, Transfer and Terminate.	• Risk Council, Senior Management, Audit Committee and Board to review Risk Management Process on periodic basis. • Risk Council to collate and review information on new and existing risks.

Risk Categories:

Your company has classified various risks in following broad categories:

Risk Category	Definitions
Strategic	Potential risks affecting high-level goals, aligned with and supporting the entity's mission/ vision.
Operational	Potential risks affecting the effectiveness and efficiency of the entity's operations. They vary based on management's choices about structure and performance.
Financial	Potential risks affecting the performance and profitability goals of the company including safeguarding resources against financial losses.
Regulatory	Risk relating to adherence to relevant laws and regulations. They are dependent on external factors and tend to be similar across all entities in some cases and across an industry in others.
Human Capital	Potential risks affecting the company in relation to attraction / retention of human capital, thereby impeding growth of the company

Risk Assessment:

Assessment involves quantification of the impact of risks to determine potential severity and probability of occurrence. Risk Council assesses risks during workshops, interviews and anonymous surveys. Each identified risk is assessed on two factors, which determine the risk exposure:

A. Impact if the event occurs

B. Likelihood of event occurrence

The impact and likelihood shall be plotted on a Risk Assessment Matrix for arriving at different categories of risks as shown below:

Likelihood	Insignificant	Minor	Major	Critical
Almost Certain	4	8	12	16
Probable / Likely	3	6	9	12
Unlikely	2	4	6	8
Rare	1	2	3	4

Impact

Certain inherent risks associated with the IT Industry as well as the Company broadly are listed below:

Client Risk

Excessive exposure to particular clients have the potential to limit the company's negotiating capacity and any unfavorable change in client business may result in sudden downfall in company's revenue as well as profits. The Company is constantly de-risking by soliciting customers from different verticals and geographies.

Information Security and Disaster Recovery

The nature of business of the IT industry as well as company, around client data and technology poses a potential risk of breach of security of company's network and possible impact on its operations as well delivery work for its customers. The company takes security of customer data; it's infrastructure and network as well as company's assets very seriously. The information security team has developed and implemented elaborate security measures using latest technology and tools available. 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.

Geographical Concentration Risk

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. In order to curtail this risk, Zensar has not imposed any rigid limits on geographical concentration. While US continue to be the major revenue generating territory, Company's operations in South Africa, Europe also makes significant contribution to the aggregate.

Technology Obsolescence Risk

The Company operates in an ever evolving and dynamic technology environment and it is of utmost importance that the Company continuously reviews and upgrades its technology solutions and services, resources and processes so as to avoid technology obsolescence of a Company's expertise and services, posing a serious threat to the predictability of its revenues and loss of market share. The Company continuously makes investments in new technologies, 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. The Company is not dependent on any single technology or platform. Zensar 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.

Client Liability Risk

A Client Liability Risk arises in the advent of the failure or deficiency in services rendered to a particular client. Any such deficiency could result in a claim for damages against the company. Zensar pays adequate attention to the negotiation and documentation of contracts wherein an effort is made to limit the contractual liability for damages arising out of errors, mistakes or omissions in service delivery. Also the company has robust quality controls in place to ensure regular monitoring and tracking of delivery operations. In addition, Zensar has taken sufficient insurance cover for protection from such professional liability as well as errors and omissions.

International Exposure Risk

As the company's headquarter is in India, this 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 country where company conducts business. In order to mitigate this risk, company's management understands the local country environments systematically, with the help from experts and professional agencies, which has helped reduce exposure to these risks.

Human Resource Risk

Global economy has made available more and more opportunities to the 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 lead 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 from leading colleges and industry, 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. Zensar's performance management systems aim at measuring competencies and create a transparent performance-led incentive system. The company also undertakes surveys and feedback from employees to create better working environment as well as number of initiatives are taken to make Zensar a great place to work.

Foreign Currencies Risk

Global economic situation continues to remain volatile with and since Indian IT industry is largely focused on markets outside India, fluctuations in major currencies due to unstable economic conditions impact 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. Given the high offshore content of the company's revenues, a major portion of the Company's expenses is in Indian rupees. As a result operating profits gets highly impacted by foreign currency rate fluctuations. To the extent that there is a significant appreciation of the rupee, it would affect Company's earnings negatively. Such volatility would also affect Company's assets located at various locations worldwide in terms of their carrying value. The Company hedges a major part of the risk on exchange rate by entering into forward cover for predictable inward remittances minimizing the risks associated with foreign currency rate fluctuations.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Compliance with best of the breed practices and regular management oversight make the internal controls at Zensar strong. Rigorous testing of the internal controls is one of the strengths of the organization. Strong internal controls minimize the risk of frauds by introducing effective checks and balances into the financial system. Zensar's Audit Committee along with Management oversees financial controls and their implementation on a regular basis. The Audit Committee meetings, reviews and verification of controls ensure that the Terms of Reference given by the Board of Directors are adhered to. The internal audit is carried out by one of the leading audit and risk advisory firms, along with the key management personnel.

FINANCIAL MANAGEMENT

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

1. REVENUE

Revenue for the year ended 31st March 2017 is as under:

A. BY SEGMENTS

₹ Crores

SEGMENT	2016-2017	2015-2016
Application Management Services	2,398.60	2,253.97
Infrastructure Management Services	656.99	684.12
Total	**3055.59**	**2,938.09**

B. BY GEOGRAPHY

₹ Crores

Geography	2016-2017	2015-2016
United States of America	2,269.91	2,260.36
Europe	355.14	294.13
Africa	263.41	240.86
Rest of the World	167.13	142.74
Total	**3,055.59**	**2,938.09**

C. BY LOCATION

₹ Crores

Location	2016-2017	2015-2016
Onsite	67%	64%
Offshore	33%	36%

2. OTHER INCOME

Other Income comprises dividends from mutual fund investments, interest on bank deposits, profit on sale of investments and others. Other income during the current year was ₹ 8.21 Crores as against ₹ 8.44 Crores in the previous year.

Other gains comprises net gain on financial assets mandatorily measured at fair value, interest on security deposit, net foreign exchange gain & loss on share buyback liability. Other gain during current year was ₹ 11.07 Crores as against ₹ 45.40 Crores in the previous year.

3. SHARE CAPITAL

During the year, Company has allotted total 242,210 equity shares fully paid up of ₹ 10/- each. Out of these, 9,500 equity shares were allotted under 2002 Employees Stock Option Scheme and 2,32,710 numbers of equity shares were allotted under "2006 Employees Stock Option Scheme".

4. RESERVES AND SURPLUS

The Company's Reserves and Surplus as on 31st March 2017 were ₹ 1,421.18 Crores as against ₹ 1,202.67 Crores in 2015-16.

The Company's Other Reserves as on 31st March 2017 were ₹ 4.44 Crores as against ₹ 17.80 Crores in 2015-16.

5. NON CURRENT BORROWINGS

As of 31st March 2017, Non current (long term) borrowings were ₹ 1.46 Crores (Previous year ₹ 0.77 Crores) which relates to Finance lease liabilities.

The portion of current maturities of long term loan amounting to ₹ 0.52 Crores (Previous year: ₹ 1.20 Crores) which is payable within twelve months, is shown under Other financial Liabilities.

6. CURRENT BORROWINGS

As of 31st March 2017, Current borrowings (Short term) borrowings of ₹ 129.08 Crores. Previous year it was ₹147.31 Crores.

7. FIXED ASSETS

There was an increase in Gross Block of Fixed Assets by ₹ 62.86 Crores compared to previous year, which is on account of acquisition of assets for ordinary business and acquisition of Foolproof Ltd. (UK) .

8. RETURN ON CAPITAL EMPLOYED

The return on capital employed (ROCE) for the year 2016-17 is 22.2%.

9. DEBTORS

The position of outstanding debtors was:

₹ Crores

	As at 31st March, 2017	As at 31st March, 2016
Considered Good	530.55	540.03
Considered Doubtful	51.27	35.06
Allowances for Credit losses	49.16	35.06
Total Receivables	532.67	540.03

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 ₹ 327.13 Crores as on 31st March, 2017.

11.OTHER CURRENT ASSETS

Other Current Assets of ₹ 78.56 Crores consist mainly of prepaid expenses, advances to suppliers and statutory receivables as on 31st March 2017.

12. OTHER FINANCIAL ASSETS

The Other Financial Assets comprise foreign exchange forward contracts and security deposits amounting to ₹18.26 Crores (Previous Year: ₹ 10.54 Crores) as on 31st March, 2017

13. OTHER CURRENT LIABILITIES

Other Current liabilities amounting to ₹ 22.78 Crores (Previous year ₹ 21.80 Crores) represent mainly payments due to employee contributions towards provident & pension fund, statutory taxes.

14. TAX LIABILITIES

The Company's income-tax expenses is ₹110.25 Crores (Previous year ₹ 124.57 Crores).

15. CONTINGENT LIABILITIES

Contingent Liabilities have been disclosed in Note 34 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.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Talent Management practices at ZENSAR focus on engaging, developing and retaining the talent pool. We at Zensar strive towards providing a conducive environment to sustain high performance. Our retention rate was 84.6% for FY16-17.

The following is a summary of our key talent initiatives:

The industry in which we operate in is rapidly changing. A significant focus on business outcomes, the need for integrated solutions and digital technologies is expected. These changes require us as an organization 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. We will partner customers for their success

Values:

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

Extensive initiatives such as global webcasts, workshops, e-mail campaigns and online gaming based certification for new hires have been undertaken across our global locations to disseminate the re-articulated Vision, Mission and Values.

We are a proud Digital Transformation Partner for our customers 26% of Zensar's revenue is driven by its digital business, which is exponentially growing by 100% every year. Nine out of Zensar's Top 10 clients are using our Digital services that are enabling their Business Transformation. Our Digital Application Services span the following scopes:

- Digital Automation
- Digital Mobile
- Digital Social
- Digital Cloud
- Digital Analytics
- Digital Commerce
- Big Data
- Automating Customer service using Chabot to boost customer engagement
- Managed Analytics
- Social Listening
- E-Commerce Upgrades
- In store Analytics
- Digital commerce implementation, support and enhancements

Corporate Social Responsibility

An organization can no longer be defined only by the quantum of its bottomline, but by the way it generates profits, the concerns it shows for people and its contribution to the planet. At Zensar, this triple bottomline approach is in alignment with organizational values comprising Customer Centricity, Commitment to People and Community, Continuous Innovation and Excellence

HR Digitalization

We have embarked on a journey to make HR 100% digitalized. This has ensured that all HR process are available to associates on their 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 our 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 high potential associates.

Making Zensar a Great Place to Work

Having an engaged workforce is a building block for organization's success. The organization's value of 'Commitment to People and Community' is embodied in every effort to make Zensar a great place to work - a workplace where employees trust who they work for, take pride in what they do and enjoy the company of the people they work with. Over the last three years, we have taken significant steps towards making Zensar- a Great Place to Work' and thereby measure associate engagement. Great Place to Work is a globally recognized and widely used platform from Great Place to Work® Institute, 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 90.2% participation from associates globally.

Apart from the survey, we are also participating in the Great Place to Work Culture Audit. The culture audit benchmarks our People practices vis-à-vis the industry.

Associate Engagement Framework

What is Associate Engagement at Zensar? - 'Associate Engagement is a connect between associates and the organization that reflects in a psychological and emotional commitment which enables associates to realize and contribute to their full potential in Zensar."

Importance of Associate Engagement

- Companies with highly engaged workforces outperform their peers by 147% in earnings per share and realize 41% fewer quality defects, 48% fewer safety incidents & 37% less absenteeism
- Highly engaged associates were 87% less likely to leave the organization compared to disengaged associates

*Source: Gallup Engagement Survey 2013

What is the Associate Engagement Framework at Zensar?

It is a framework that identifies the drivers of Associate Engagement at Zensar. 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.

Open Culture: Transparency and Openness

In line with our Value - Commitment to People, at Zensar there are multi channels available through which an associate could be heard by reaching out to manager/ HR at all levels, provide feedback, share suggestions, give Ideas, discuss careers etc

The ways in which associates can communicate with their managers, the Leaders or Business Enabling functions are given below.

1. **©ZenVerse App:** ZenVerse is an exclusive CEO conversation App, which is a first ever App for the associates to directly connect and interact with the CEO. This is a fantastic forum which allows the organization to listen to the pulse of the organization through the interaction and conversation that happens on this digital platform. This forum also lets associate raise issues/concerns which are addressed directly by CEO, also lets them share feedback and suggestion in terms of the changes that they desire to bring about in Zensar. There are many changes happening in Zensar which are the outcome of many such feedbacks. We have 72% associates interacting with Sandeep on ZenVerse with almost 155K + session

1. **Pizza and Coke Sessions :** Pizza and Coke meeting is a forum where a group of associates interact with Senior Managers over a lunch of Pizza with Coke encouraging discussion and sharing suggestions and raising concerns on various aspects of the organization thus bringing improvement. Associate are nominated by their managers and invited by the HR spoc where a maximum 18 to 20 associates are invited. Concerns, suggestions, feedback or open actions are tracked in the forms of minutes and are shared with all participants

2. **Focus Group Discussion :** This session is held in groups of 18 to 20 associates with an aim to get constructive suggestion from associate to bring about improvement in focused area. This session is facilitated by the HR where associate from different grade, projects, function etc are nominated with an aim to get constructive feedback, suggestion etc from the group. The suggestion coming from the group is tabled and is shared with the concerned department for their review and action against the points raised.

3. **360 degree feedback:** The process helps our senior management associates to receive 360 degree feedback from subordinates, peers and managers. Associates in grade AVP & above undergo the 360 degree feedback process annually. This is also a leadership development tool where areas of strength and weakness are identified for an individual manager.

4. **Internal Customer Satisfaction Survey:** ICSS is a feedback platform wherein the Leadership team (C1 and above grade) can provide feedback to the business support functions on their service levels. The objectives of the survey are as follows:
   - Measure satisfaction level of internal customers with respect to their needs and expectation.
   - Identify improvement opportunities for the support function
   - Every support function identifies their respondent set basis the services availed by them. ICSS is administered through an internal online survey platform. The respondents log on to the survey link and undertake the online survey for the support functions. In FY15-16, 18 support functions were covered in the ICSS.
   - The support functions which participated in the survey were- OD & Learning, USA HR, Compensation & Benefits, Payroll & Claims, Talent Acquisition, Legal, Associate Representative- Heads, Administration, Travel & Transport, Marketing, PSO (Quality), Technical Training, Procurement, Sales Enablement, Resource Management Group. Target Audience- Respondent list consists of managers impacted.

6. **Exit Interview:** This is a platform for getting feedback, suggestion etc from an outgoing associate. Feedback is captured in a template available in the Oracle HRMS system. Associate before their release or exit day meets his/her HR spoc in person to close the exit interview process. Feedback is captured in a template available in the Oracle HRMS system and is used constructively for improvement. This is an auditable process.
7. **New Joinee feedback:** This is a platform for getting feedback, suggestion, areas of improvement etc from an incoming associate. Before joining the organization, a new joinee may have to interact with associates from the TA team, HR ops team, admin team etc. Their experience with these department are rated in the new joinee feedback available in the HRMS system and is used constructively for improvement. This is an auditable process.
8. **Group Level Meetings:** This happens when associate meet, communicate and interact with managers / senior managers in groups. These are facilitated periodically with Delivery Heads or Practice Heads to discuss their business plans, updates and seek inputs from the associates
9. **Coffee Sessions:** This is a part of the associate engagement frame work where a group of associates interact with the Senior Manager. These session are held monthly, quarterly or as and when required. These session aims in building a better connect and transparency within the team
10. **Skip Level Meetings:** Skip level meetings can one-on-one or one-to-many where an individual associate or group of associate get to interact with their 2-up manager. These session helps in checking the health of the team, increase connect and clarity. These are informal sessions facilitated by HR
11. **Stand-up Team Meetings:** This is again an informal meeting within the team and is done as and when required. These meeting touches on points like “what we did yesterday”, “what we will do today” and “what needs to be planned for tomorrow”. In these meetings suggestion from the team members are encouraged. These meeting generally last for 15 to 30 minutes.
12. **Offsite outbound team gatherings:** Once in a year teams are encouraged to go on an offsite / outbound team gathering. For the offsite / outbound, yearly budget is made available to each individual in the team. Offsite meeting encourages better focus within teams, helps in identifying strengths and weakness, better engagement, helps in better communication, brings out more creativity from team members, brings in team bonding and helps in working towards one goal.

Diversity and Inclusion (D&I)

Zensar has been constantly striving to build a diverse and inclusive work culture that respects and thrives on diversity in gender, age, nationality, race and capability.

The Vision Community is ZENSAR's signature D&I initiative where cross-functional teams across the levels in the organization contribute to the strategy building exercise of the organization. The success of Vision Community has been documented in Harvard Journals as a case study.

WE (Women for Excellence) is another key D&I initiative which aims to develop women Zensarians take leadership positions.

Additionally, to bring in diversity of perspectives in the Strategic Decision making process of the organization, the following boards have been set up: Shadow Executive Board, Women Executive Board and D&I Council. The composition of these Boards is cross functional and each Board is led by a member of the Strategy Council.

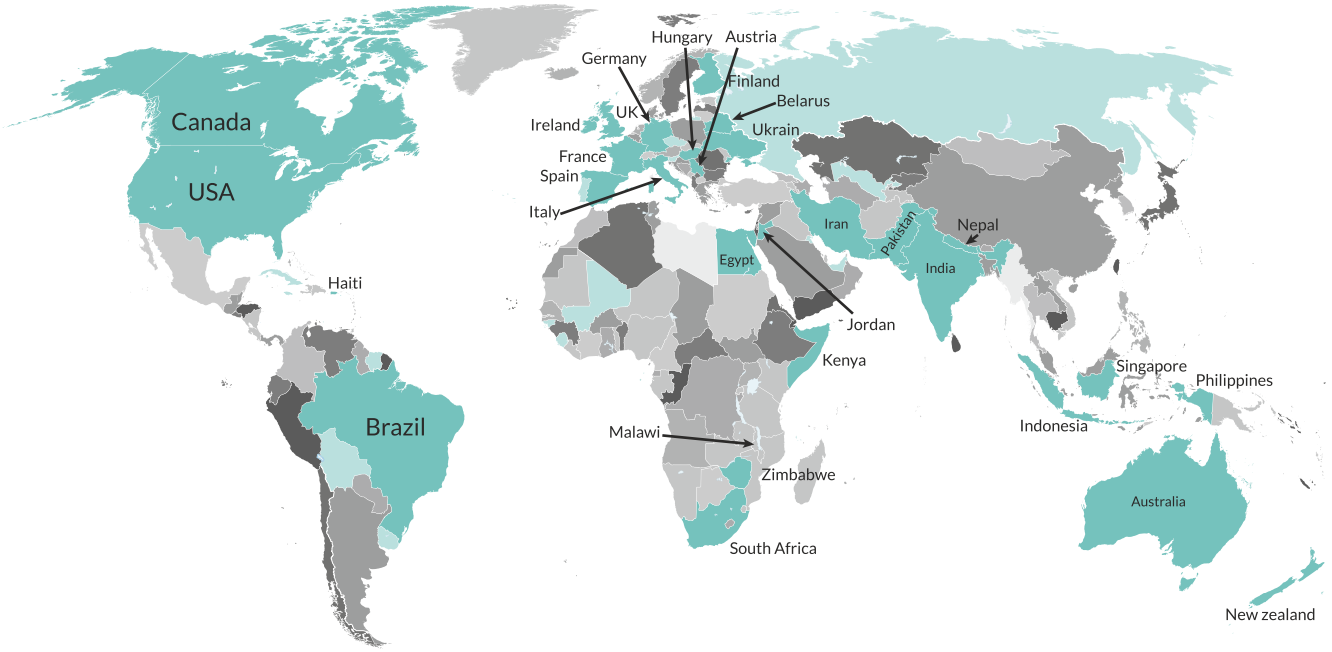
Our broad definition of diversity

Our diversity program embraces associates of different gender, age, nationality, backgrounds, experiences and physical ability and supports them to work collaboratively by creating a culture of Inclusivity.

Celebrating Diversity at Zensar

Diversity in the workplace at Zensar is a norm and seen as an investment towards building a better business. We encourage it and push for it, for we believe that only when we have a workforce which is unique and yet different, can we hope and dream to consistently be where we are - in the space of innovations and consistent growth.

With over 8000 associates spread across 33 nationalities, diversity has helped foster an atmosphere of mutual understanding and respect and enabled us to generate innovative ideas. The countries marked in 'Blue' are where global Zensarians belong to.



Today, associates representation in policy planning, implementation and monitoring through sessions such as WE or Women for Excellence are in place, due to this very culture.

Our diversity and inclusion program embraces employees of different gender, age, nationality, backgrounds, experiences and physical ability. As an equal opportunity employer, we promote a culture of meritocracy. It is not the geographic spread but the D&I initiatives in play that are a driving force behind Zensar's collaborative and inclusive culture which makes us truly global.

We have associates from **33 different nationalities** working across locations. Below is the pictorial representation of the diverse spread of our associates in terms of nationalities.

We also implement strategies aimed at raising awareness and understanding about diversity issues, including: anti-bullying policies; flexible working policies; work from home; time offs; relocation policy; referral policy; anti-sexual harassment policy; complaints and safety at work policies and procedures; recording and management information systems to measure progress against equality goals.

We implement Diversity through the following initiatives:

- **Advancement of women:** Policies aimed at understanding the needs of women employees. We have strong team within the organisation called ZenWEN and the group, RPG Diversity forum called WE @ RPG that is focused towards advancement of women
- **Equal employment opportunity:** We strive at all times to identify and recruit the most diverse pool of qualified candidates. We have a special focus on hiring Women associates at all levels and the details of which are given under 'Hiring' Practice area.
- **Integration of people with disability:** We develop strategies which would facilitate recruitment of people with disability. We are also planning to hire trained recruiters for this purpose. We also have 'ramps' built at the entrance of each office building to support the differently abled associates to move around the work area. There are 'wheel chairs' at the entrance of the building which are manned by our housekeeping staff to help the differently abled associates to their work area, on request.
- **Cultural acceptance:** At Zensar 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. We hire people who have the personality, talent, and background necessary to fill a given job profile, regardless of race, color and creed. At Zensar individuality, creativity, innovation and flexibility are celebrated and this creates enormous diversity which brings in 'world culture' to the organization

and equips it to be a true transformation partner to global corporations.

Platforms to promote Diversity:

Zensar Women Executive Network (ZenWEN):

Zensar believes and strives towards creating a conducive work culture for women to reach a pedestal in their career with appropriate mentoring. ZenWEN (Zensar's Women Executive Network) is a step towards bringing parity in the workforce at Zensar. **ZenWEN infancy itself has been marked digital by a mobile app called "ZenWEN",** which gives a view on Zensar's performance on various diversity metrics. This venture does not limit itself to local boundaries but extends globally to seek all the available international perspectives on balanced workforce diversity. ZenWEN team plans to connect with similar initiatives taken by its customers and replicate their best practices to aid balanced leadership and gender equality. Zensar is keen to participate as well as host any such events by the customers which would take this initiative one step ahead. Below are some evidences of communication that were sent out with respect to these initiatives:

- Special program for Women Leaders such **'Power of Belief'** are facilitated and this has been well received by the associates. We will be running **eighth** session on 3rd March after it's being launched this year in Pune and Hyderabad. This is also explained in detail under 'Inspiring' section.
- **RPG Diversity platform:** we also support the diversity branding initiative of the organization through RPG diversity platform. This platform was launched this year to leverage the collective strength of women associates across all RPG group companies.

We have special focussed program for women hiring even for GMRs program which are mentioned in detail under 'Hiring' practice. Also, to build diversity further, we have **special incentive for women referrals** under the 'Zenrich' referral scheme under Recruitment function. Below is the communication sent out recently for inviting referrals from associates for a skill and **extra bonus** for women referrals.

- **Open Door Culture:** In order to improve the work environment and increase productivity, Zensar believes in creating an environment, which encourages free and frank exchange of views and fostering interactions & discussions on ideas and issues. Associates are encouraged to express their views openly without any fear of retribution, thus embracing and fostering the culture of openness and participation.
- **Zensar Technologies Participates in the United Nations Global Compact:** Zensar is a proud participant of United Nations Global Compact and committed to align our 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. The CSR activities are directly impacting 15000 lives through our initiatives in employability, digital literacy, and environment, through active volunteering of Zensar employees.

One major key focus area for Zensar is Women Empowerment, where we internally work towards engaging, enabling and empowering our women associates through multiple unique initiatives. Our aim is to connect with aspiring women leaders across the world to co-create awareness and share best policies and practises to conjointly advance in our common goal for improving gender equality.

As a sign of our commitment to advance the equality agenda globally, Zensar has signed the Women Empowerment Principles, a joint initiative of the UN Global Compact and UN Women , to further advocate the importance of taking action towards advancing equality. We strongly believe in developing the leadership qualities of men and women allowing them to leverage their full potential as leaders, and as a company we aspire to be best in class in the industry when it comes to gender inclusive policies and practises.

We are pursuing a focused charter **(ZenWen)** to build an organization that is led by balanced leadership. The company's women executive board (WEN) is focused on identifying and raising women leaders from within existing associates. The WEN drives organisational initiatives for attracting diverse women talent and nurturing their growth at every step of their respective careers. The ZenWen charter is composed of female and male representatives from various functions and geographies and is governed through a mobile app, giving the associated a digital platform to facilitate communication and enabling the tracking of goals and objectives that are set for this charter.

- **Zensarians Around the world:** The average age of 45% of our associates is under 30, out of which 22.7% are women. By attracting, retaining, and developing the very best talent, increasing employee engagement and productivity, delivering

to the customer, together as one team, seizing opportunities for creative problem-solving and innovation, growing our business through our informed understanding of the diverse markets in which we operate, we harness diversity to maximize our business opportunities.

- **Integration with our fellow Zensarians of acquired companies:** Integrating and including our newly acquired organization during the year under review namely Foolproof Ltd its Subsidiaries and Keystone Logic Inc. and its India division with the larger organization has been driven through our internal communications team through variety of initiatives. Below are the screen shots of some of these initiatives:

CAUTIONARY STATEMENT

This Report to the Shareholders is in compliance with the Corporate Governance Standard incorporated in the Listing Agreement with the Stock Exchanges 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 to meet the Listing Agreement requirements.

For and on behalf of the Board

Sd/-

H.V. Goenka Place: Pune

Chairman Dated: 25th April, 2017

Annexure H to the Directors Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[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]

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 2017 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 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder (in so far as they are made applicable);

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

(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;

(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 (effective from 15th May, 2015);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (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) Applicable 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.

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. Zensar Technologies (UK) Ltd, a wholly owned subsidiary of the Company acquired the entire outstanding shareholding of Foolproof Ltd (FP).
2. The Company in its Board Meeting held on 30th March, 2017 approved the acquisition of the entire business of Keystone Logic Solutions Private Limited, India as a going concern, on a slump sale basis by executing "Slump Sale Agreement" dated 30th March, 2017.
3. Zensar Technologies Inc., a wholly owned subsidiary of Zensar Technologies Limited, vide Resolution of its Board of Directors passed on 30th March, 2017 has approved acquisition of Keystone Logic Inc., USA by executing a "Stock Purchase agreement" dated 30th March, 2017 with Keystone Logic Solutions Private Limited, a company registered in India and holding 100% shares of Keystone Logic Inc.

Place: Pune
Date: 25th April, 2017

For **SVD & Associates**
Company Secretaries

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

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 A'

To,
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.

Place: Pune
Date: 25th April, 2017

For **SVD & Associates**
Company Secretaries

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

Annexure I to the Directors Report

CORPORATE GOVERNANCE REPORT

The Company's Corporate Governance Philosophy

Corporate Governance is a set of systems, policies and practices deep-rooted in the Company to ensure that the affairs are being managed in a way which ensures accountability, transparency, fairness in all its transactions with all its stakeholders. Zensar believes that good governance practices stem from the culture and mind-set of the organization. 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' interest, while maximizing long-term shareholder worth. Strong leadership and effective corporate governance practices have been the Company's plus point.

A report, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") for the year ended 31st March, 2017 is given below:

1. Board of Directors:

A. Size and Composition of Board:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience.

At Zensar, we believe that Good Governance cannot be imposed from the outside. It must come also from within hence the Board of Directors, at the apex of a company's corporate governance structure, is the key factor to ensure highest standards of corporate governance. Their contribution is immensely important for ensuring appropriate directions with regard to leadership, vision, strategy, policy making, monitoring and achieving greater levels of performance. The Company's Board of Directors' is characterized in independence, professionalism, transparency in decision making and accountability. It comprises combination of Executive and Non-Executive Directors, each of whom adds value and brings independent view in the decision-making process. As per statutory requirements, the Company has duly constituted Board consisting an optimum mix of Executive, Non-executive and Independent Directors.

As on 31st March, 2017, the Board comprises of eight Directors, one of which is Executive Director and seven are Non-Executive Directors. The Company has a Non-Executive Chairman from the Promoter Group.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors is related to another.

B. Board Meetings:

The Board of Directors of the Company met six times during the Financial Year 2016-17.

On 22nd April, 2016, 21st July, 2016, 17th October, 2016, 20th December, 2016, 24th January, 2017 and 10th March, 2017. Composition of the Board and other Directorship / Membership of Committees held as on

Annexure I to the Directors Report (Contd.)

31st March, 2017 along with attendance of Board Meeting/AGM during the year are given below:

Sr. No.	Name of Director	Category	Date of Appointment	Attendance in Board Meetings during 2016-17	Attendance in last AGM	Other Boards / Committees		
						Director-ships*	Committee*	
							Member	Chairman
1	Mr. H. V. Goenka	Chairman Non- Independent Non- Executive Director	04.09.2001	6	No	6	NIL	NIL
2	Mr. Sandeep Kishore	Managing Director and CEO	12.01.2016	5	Yes	1	NIL	NIL
3	Dr. Ganesh Natarajan$	Vice Chairman and Managing Director	04.09.2001	1	NA	NA	NA	NA
4	Mr. Arvind Agrawal	Non Independent Non-Executive Director	29.01.2002	5	No	NIL	NIL	NIL
5	Mr. Venkatesh Kasturirangan	Independent Non- Executive Director	28.01.2008	5	Yes	NIL	NIL	NIL
6	Mr. Shashank Singh	Non-Independent Non-Executive Director	20.10.2015	6	No	2	NIL	NIL
7	Mr. Sudip Nandy	Independent Non-Executive Director	15.07.2015	6	No	NIL	NIL	NIL
8	Mr. P.K. Mohapatra#	Independent Non- Executive Director	31.01.2001	5	No	NA	NA	NA
9	Mr. A.T. Vaswani	Independent Non- Executive Director	09.02.1996	6	Yes	2	1	1
10	Ms. Madhabi Puri Buch	Independent Non -Executive Director	30.09.2014	5	No	2	2	NIL

* This number excludes the directorships / committee memberships held in Private Limited Companies, 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.

$ Dr. Ganesh Natarajan ceased to be Vice-Chairman and Managing Director and demitted the office of directorship w.e.f. 30th April, 2016 due to expiry of his term.

\# Mr. P. K. Mohapatra ceased to be Director from 13th March, 2017 due to death.

Note:

- **Information placed before the Board:**

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

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

- **Directors with material pecuniary or business relationship with the Company:**

  The Company did not have any pecuniary relationship or transactions with its Non-Executive and/or Independent Directors 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 with the requirements of Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. Currently, the Audit Committee has three members, Mr. A. T. Vaswani, Mr. Sudip Nandy and Mr. Shashank Singh. Mr. A. T. Vaswani, Independent Non-Executive Director is the Chairman of the Committee. All the members have relevant finance and audit exposure.

B. Meetings:

During the Financial Year 2016-17, Eleven meetings of the Committee were held on 14th April, 2016, 21st April, 2016, 14th June, 2016, 21st July, 2016, 05th August, 2016, 13th September, 2016, 17th October, 2016, 14th December, 2016, 20th December, 2016, 24th January, 2017 and 29th March, 2017.

The particulars of attendance at the Committee Meetings during the year are given in the table below

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)	11
Mr. P. K. Mohapatra*	10
Mr. Sudip Nandy^	1
Mr. Shashank Singh	11

* Mr. P. K. Mohapatra ceased to be a member from 13th March, 2017 due to death.

^ Mr. Sudip Nandy was appointed as a member w.e.f. 10th March, 2017.

The Chairman of the Audit Committee was present at the 53rd Annual General Meeting held on 20th July, 2016.

The Company Secretary acts as the Secretary to the Audit Committee. The Committee meetings are also attended by the Chief Financial Officer, Statutory Auditors, and Internal Auditors. Other executives of the Company also attend the meeting as and when required.

C. Terms of Reference:

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. Recommending 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. Reviewing, 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 Director's Responsibility Statement to be included in the Board's report in terms of subsection 5 of section 134 of the Companies Act, 2013.

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.

g. Modified opinions in the draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the Statement of uses/application of funds raised through an issue (Public issue, rights issue, preferential issue etc.), the statement of funds utilized for purpose other than those stated in the offer document / prospectus / notice and the Report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. Monitoring the end use of funds raised through public offers and related matters;
7. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of dividends) and creditors;
8. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
10. Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
11. Reviewing 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;

12. Discussion with internal auditors regarding any significant findings and follow up there on;
13. Reviewing 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 and Management Letters/Letters of internal control weaknesses issued by the statutory auditors;
14. 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 including review of management discussion and analysis of financial condition and results of operations;
15. Approval or any subsequent modification of transactions of the company with related parties including review of statement of significant related party transactions submitted by the management;
16. Scrutiny of inter-corporate loans and investments;
17. Valuation of undertakings or assets of the company, wherever it is necessary;
18. Evaluation of internal financial controls and risk management systems;
19. Establish a vigil mechanism for the directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimization and to review the functioning of the whistle blower mechanism;
20. To oversee Risk Management functions;
21. The appointment, removal and terms of remuneration of the chief internal auditor;
22. Quarterly Statement of deviation(s) including report of monitory agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
23. Carrying out functions as delegated by the Board of Directors from time to time;

3. Nomination and Remuneration Committee:

A. Composition:

The composition of the Committee complies with the requirements of Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee is currently comprised of Mr. A. T. Vaswani, Mr. Sudip Nandy and Mr. Arvind Agrawal. Mr. A. T. Vaswani, Independent Non-Executive Director is the Chairman of the Committee.

B. Meetings:

During the Financial Year 2016-17, eleven meetings of the Committee were held on 21st April, 2016, 14th June, 2016, 21st July, 2016, 05th August, 2016, 13th September, 2016, 17th October, 2016, 17th November, 2016, 14th December, 2016, 20th December, 2016, 24th January, 2017 and 10th March, 2017.

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)#	11
Mr. Arvind Agrawal	9
Mr. Sudip Nandy^	-
Mr. P. K. Mohapatra *	9

* Mr. P. K. Mohapatra ceased to be the Chairman from 13th March, 2017 due to death.

^ Mr. Sudip Nandy was appointed as a member w.e.f. 23rd March, 2017.

\# Mr. A. T. Vaswani was appointed as the Chairman of the Committee consequent upon cessation of Mr. P. K. Mohapatra as the Chairman due to death.

C. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. Formulate the criteria for evaluation of performance of every director and carrying out actual evaluation.
3. Determining the remuneration packages for Executive Director, the direct reports to the Managing Director /Chief Executive Officer.
4. Determine the quantum of commission payable to Non-Executive Directors.
5. Implementation of the Employees Stock Option Plan.
6. Allotment of shares consequent upon exercise of stock options.
7. Devising a policy on diversity of Board of Directors.
8. Whether to extend or continue the term of appointment of Independent Directors on the basis of report of performance evaluation of Independent Directors.

9. Carrying out functions as delegated by the Board of Directors from time to time.

D. Nomination and Remuneration Policy:

The Board has approved Nomination and Remuneration Policy as recommended by Nomination and Remuneration Committee which forms part of Directors' Report.

E. Details of remuneration to all Directors:

1. Details of Remuneration of Managing Director(s):

(i) Dr. Ganesh Natarajan:

Dr. Ganesh Natarajan ceased to be Vice-Chairman and Managing Director and demitted the office of directorship w.e.f. 30th April, 2016 due to expiry of his term. Dr. Ganesh Natarajan was paid remuneration during the year under review as per the terms recommended by the Nomination and Remuneration Committee, approved by the Board of Directors and Shareholders of the Company.

The summary of remuneration paid to Dr. Ganesh Natarajan during year under review was as follows:

	Particulars	Amount in ₹ Lakhs*
(A)	Salary	131.85**
(B)	Allowances	14.13
(C)	Annual Performance Incentive	436.66

* Excludes the value of employees stock options granted / exercised by Dr. Ganesh Natarajan, if any.

** Salary as above includes Gratuity and Leave Encashment amounts paid in FY2016-17.

As on 31st March, 2017, Dr. Ganesh Natarajan held 109,626 Equity Shares of the Company.

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

Name	Service contracts	Notice period
Dr. Ganesh Natarajan, Vice Chairman & Managing Director	Period of service contract – 01st February, 2015 to 30th April, 2016	Four months' notice

(i) Mr. Sandeep Kishore:

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 Shareholders of the Company.

The summary of remuneration paid to Mr. Sandeep Kishore during year under review was as follows:

	Particulars	Amount in ₹ Lakhs*
(A)	Salary	13.43
(B)	Allowances	-
(C)	Annual Performance Incentive	-

* Excludes the value of employees stock options granted / exercised by Mr. Sandeep Kishore, if any.

As on 31st March, 2017, Mr. Sandeep Kishore held NIL Equity Shares of the Company and 1,25,000 stock options were granted to him in pursuance of Employees Stock Options Scheme, 2006 (ESOS 2006) and 1,25,000 Performance Award Units (PAUs) under 'Zensar Technologies Limited – Employee Performance Award Unit Plan 2016 (EPAP 2016).

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

Name	Service contracts	Notice period
Mr. Sandeep Kishore, Managing Director and Chief Executive Officer	Period of service contract – 5 year(s), beginning 12th January, 2016	Six months' notice

2. Details of Remuneration of Non-Executive Directors:

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

The Non-Executive Directors are paid sitting fees of ₹100,000/- for each meeting of the Board, ₹50,000/- for each meeting of Audit Committee and ₹5,000/- for each meeting of Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Banking Committee and Stakeholders Relationship Committee attended by them.

The members of the Company at their 52nd Annual General Meeting held on 14th July, 2015 had approved payment of Remuneration to Non-Executive Directors by way of Commission not exceeding one percent of Company's net profit.

During the year under review, apart from the Sitting Fees paid for attending the meetings of the Board and the Committees, the Non-Executive Directors have been paid Commission after taking into account the qualifications, experience, time spent on strategic matters and contribution to the company. The said Commission was duly recommended by the Nomination and Remuneration Committee and approved by the

Board of Directors.

Remuneration to Non-Executive Directors.

Sr. No.	Name of the Director / Institution	Sitting fees paid during 2016-17 (In Rupees)	Commission paid in 2016-17 for the year 2015-16 (In Rupees)
1.	Mr. H. V. Goenka	600,000	28,575,000
2.	Mr. P. K. Choksey#	NA	487,500
3.	Mr. Venkatesh Kasturirangan	500,000	650,000
4.	Mr. P. K. Mohapatra*	1,030,000	650,000
5.	Mr. A.T. Vaswani	1,270,000	650,000
6.	Ms. Madhabi Puri Buch	500,000	650,000
7.	Mr. Sudip Nandy	650,000	487,500
8.	Mr. Shashank Singh / Marina Holdco (FPI) Ltd.$	1,135,000	325,000
10.	Mr. John Levack / Electra Partner (Mauritius) Limited^	NA	325,000
11.	Mr. Arvind Agrawal	685,000	NA
	Total	**6,315,000**	**32,800,000**
	Grand Total	**39,115,000**	

Mr. P. K. Choksey ceased to be Director from 26th December, 2015 due to death.

* Mr. P. K. Mohapatra ceased to be Director from 13th March, 2017 due to death.

^ Mr. John Levack Nominee Director of Electra Partner (Mauritius) Limited ceased to be a director of the Company w.e.f. 9th October, 2015 consequent upon sale of equity stake in the Company by Electra Partner (Mauritius) Limited to Marina Holdco (FPI) Limited.

$ Mr. Shashank Singh was appointed as Non-executive Non-independent Director on the Board w.e.f. October 20, 2015 consequent upon purchase of equity stake by Marina Holdco (FPI) Limited from Electra Partner (Mauritius) Limited.

Shareholding of Non-Executive Directors:

Name if the Promoter	No. of shares	Name of trust, if any
Mr. H. V. Goenka	1	On behalf of Prism Estates Trust
Mr. H. V. Goenka	29,625	In individual capacity
Mr. H. V. Goenka	1	On behalf of Stellar Energy Trust
Mr. H. V. Goenka	1	On behalf of Nucleus Life Trust
Mr. H. V. Goenka	1	On behalf of Monitor Portfolio Trust
Mr. H. V. Goenka	216,216	On behalf of Crystal India Tech Trust
Mr. H. V. Goenka	1	On behalf of Secura India Trust
Mr. A. T. Vaswani	10,000	In individual capacity

4. Stakeholders Relationship Committee:

A. Composition:

The Stakeholders Relationship Committee is currently comprised of Mr. A. T. Vaswani, Mr. Sandeep Kishore and Mr. Arvind Agrawal. Mr. A. T. Vaswani, Independent Non-executive Director is the Chairman of the Committee. Mr. Nilesh Limaye, Company Secretary is designated as a Compliance Officer.

The Committee meets at regular intervals in order to facilitate prompt and effective redressal of Shareholders' complaints, to effect transfers, transmissions and give approval for issue of duplicate share certificates/name deletion etc. The Company in coordination with Registrars and Share Transfer Agent takes all necessary steps for prompt resolution of all Shareholder complaints and the Committee periodically reviews the reports of the same. With the intention of servicing the shareholders more expeditiously, the Committee has delegated the authority to approve transfers and transmissions up to 500 shares per transaction identified by a separate transfer number to Mr. S. Balasubramaniam, Chief Financial Officer and/or Mr. Nilesh Limaye, Company Secretary.

B. Meetings:

During the Financial Year 2016-17, eleven Stakeholders Relationship Committee meetings were held on 22nd April, 2016, 09th June, 2016, 30th June, 2016, 21st July, 2016, 22nd August, 2016, 17th October, 2016, 17th November, 2016, 20th December, 2016, 09th January, 2017, 20th February, 2017 and 14th March, 2017.

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)	11
Dr. Ganesh Natarajan$	1
Mr. Arvind Agrawal	11
Mr. Sandeep Kishore	03

$ Dr. Ganesh Natarajan ceased to be Vice-Chairman and Managing Director and demitted the office of directorship w.e.f 30th April, 2016 due to expiry of his term.

C. Terms of Reference:

The Terms of Reference of the Stakeholders Relationship Committee envisage the following:

1. The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
2. To approve share/security transfer, transmission and deal with all incidental matters thereto.
3. To approve name rectification, deletion and consequent issuance of share/security certificates and deal with all incidental matters thereto.
4. To approve issuance of duplicate share/security certificate and deal with all incidental matters thereto.
5. To approve issuance of share/security certificate on consolidation, sub division and split.
6. To delegate authority with respect to all the above matters to officials of the Company, provided that this authority to approve shall not exceed 500 shares/security per transaction.
7. Review the system of dealing with and responding to correspondence from Shareholders/security holders.
8. Review, resolve and deal with complaints, grievances and responses to letters received from Stock Exchanges, SEBI and Ministry of Corporate Affairs and security holders.
9. To approve format of share/security certificate as and when required.

The details of Shareholders Complaints received so far and attended during the Financial Year 2016-17 are as follows:-

Nature of Complaint	2016-17	
	Received	Attended to
Non-receipt of Bonus Shares	3	3
Non-receipt of share certificate after transfer	2	2
Non-receipt of DEMAT Credit	2	2
Non-receipt of Dividend Warrant	6	6
SEBI	7	7
Non- receipt of share duplicate certificates	2	2
Total	**22**	**22**

There were no pending complaints as on 31st March, 2017.

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 Corporate Social Responsibility Committee currently consists of Mr. Arvind Agrawal, Mr. Sandeep Kishore and Mr. A. T. Vaswani with Mr. Arvind Agrawal as the Chairman of the CSR Committee.

B. Meetings:

During the Financial Year 2016-17 one meeting of the Corporate Social Responsibility Committee was held on 27th April, 2016.

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. Arvind Agrawal (Chairman)	1
Dr. Ganesh Natarajan#	1
Mr. P. K. Mohapatra*	-
Mr. Sandeep Kishore	-
Mr. A. T. Vaswani	-

Dr. Ganesh Natarajan ceased to be Vice-Chairman and Managing Director and demitted the office of directorship w.e.f. 30th April, 2016 due to expiry of his term.

* Mr. P. K. Mohapatra ceased to be Director from 13th March, 2017 due to death.

C. Terms of Reference:

The Terms of Reference of the Corporate Social Responsibility 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.

A. Composition:

The Banking Committee currently comprised of Mr. A. T. Vaswani, Mr. Sandeep Kishore and Mr. Arvind Agrawal with Mr. A. T. Vaswani, Independent Non-executive Director as the Chairman of the Banking Committee.

B. Meetings:

During the Financial Year 2016-17, five Banking Committee meetings were held on 09th June 2016, 22nd August, 2016, 09th January, 2017, 24th January, 2017 and 14th March, 2017.

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Name	No. of Meetings Attended
Mr. A. T. Vaswani (Chairman)	5
Mr. Sandeep Kishore	1
Dr. Ganesh Natarajan#	-
Mr. Arvind Agrawal	5

Dr. Ganesh Natarajan ceased to be Vice-Chairman and Managing Director and demitted the office of directorship w.e.f. 30th April, 2016 due to expiry of his term.

C. Terms of Reference:

The Terms of Reference of the Banking Committee envisage the following:

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

7. Meeting of Independent Directors:

During the year under review, the Independent Directors met on 23rd January, 2017, inter alia, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations. All the Independent Directors were present at the Meeting.

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 Financial Year 2016-17. A declaration from the Managing Director and Chief Executive Officer confirming the above is annexed to this report.

8. FAMILIARISATION PROGRAMME FOR 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 and such other areas as may arise from time to time.

The details of the Familiarization programme have been uploaded on the Company's website on the below link:

http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/FAMILIARISATION%20PROGRAMMES%20FOR%20INDEPENDENT%20DIRECTORS.pdf

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

Particulars	Financial Year 2013-14	Financial Year 2014-15	Financial Year 2015-16
Date and Time	23rd July, 2014 at 12.00 Noon	14th July, 2015 at 12.00 Noon	20th July, 2016 at 12.00 Noon
Venue	Registered Office of the Company at Zensar Knowledge Park, Plot # 4, Kharadi MIDC, Off Nagar Road, Pune 411014	Registered Office of the Company at Zensar Knowledge Park, Plot # 4, Kharadi MIDC, Off Nagar Road, Pune 411014	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 Shareholders of the Company at the previous three Annual General Meetings:

(i) In the Annual General Meeting held on 23rd July, 2014

(a) None

(ii) In the Annual General Meeting held on 14th July, 2015.

(a) Approval of Payment of Commission to Non-Executive Directors of the Company.

(iii) In the Annual General Meeting held on 20th July, 2016.

(a) Cancellation of ungranted Stock Options from 2002 Employees Stock Option Plan;

(b) Addition of Performance Award Units to Employee Performance Award Unit Plan 2016.

The Company conducted two postal ballots to obtain approval of its Shareholders as stated in tables 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 National Securities Depository Limited (NSDL) 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 voting results of both the postal ballots are given below:

The result of the postal ballot was declared on 17th June, 2016 wherein these Ordinary / Special Resolutions were declared passed with overwhelming majority by the Shareholders. Details of Voting Pattern are as under:

Particulars / Description of item	No. of Shares held	No. of Votes Polled	% of Votes Polled	Votes in favor		Votes Against	
				No.	%	No.	%
Revision of terms and conditions of appointment and remuneration payable to Mr. Sandeep Kishore, Managing Director and CEO (DIN: 07393680)	44,631,778	37,542,438	84.12	36,485,345	97.18	1,057,093	2.82

The result of the postal ballot was declared on 06th March, 2017 wherein these Ordinary / Special Resolutions were declared passed with overwhelming majority by the Shareholders. Details of Voting Pattern are as under:

Particulars / Description of item	No. of Shares held	No. of Votes Polled	% of Votes Polled	Votes in favor		Votes Against	
				No.	%	No.	%
Maintenance of the Register of the members and related books at a place other than the Registered Office of the Company	44,796,670	36,531,581	81.55	36,526,004	99.99	1,577	0.004

10. Disclosures:

A. Related Party Transactions:

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

All Related Party Transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature. The actual transactions entered into pursuant to the omnibus approval so granted are placed at quarterly meetings of the Audit Committee.

The transactions with the related parties are disclosed in the Note No. 28 of the Annual Accounts in compliance with Indian Accounting Standard (Ind-AS) 24 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 Directors' 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 have adopted Whistle Blower Policy. All Associates of the Company are free to access 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. 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. The Company has also complied with some of the Non Mandatory requirements such as updating Shareholders about the financial performance of the Company including summary of the significant events on quarterly basis, Separate posts of Chairman and Managing Director, Reporting of Internal Auditor directly to the Audit Committee.

9. Means of Communication

- The quarterly, half-yearly and Annual Consolidated Financial Results are published in widely circulated newspapers such as Economic Times, Maharashtra Times, etc. in terms of Regulation 47 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 future outlook. 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, invited 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. for the financial year 2010-11 and thereafter, can be sent to them in electronic mode.

11. General Shareholder information:

1. **Annual General Meeting:** The Annual General Meeting of the Company will be held on Wednesday, July 19, 2017 at the registered office of the Company at 12.00 Noon.

Annexure I to the Directors Report (Contd.)

2. **Financial Year:** 1st April, 2016 to 31st March, 2017
3. **Book Closure Dates:** The Company's Register of Members and Share Transfer Books will remain closed for the purpose of dividend from Wednesday, July 12, 2017 to Wednesday, July 19, 2017 (both days inclusive).
4. **Dividend payment:** The Board of Directors have recommended final dividend of ₹7/- per equity share of ₹10/- each for the financial year 2016-17. Further, during the financial year 2016-17, the Board of Directors declared an Interim Dividend at the rate of ₹5/- per equity share of ₹10/- each which was paid on 20th February, 2017.
5. **Financial calendar** (tentative and subject to change)

Event	Due Date
Financial reporting for the quarter ending 30th June, 2017	15th August, 2017
Financial reporting for the quarter ending 30th September, 2017	15th November, 2017
Financial reporting for the quarter ending 31st December, 2017	15th February, 2018
Financial reporting for the quarter ending 31st March, 2018	30th May, 2018 (Audited)
55th Annual General Meeting for the year ending 31st March, 2018	13th September, 2018

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. The 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)

Stock Code:

BSE	504067
NSE	ZENSARTECH
ISIN in NSDL and CDSL	INE520A01019

Listing fees have been paid for the Financial Year 2017-18.

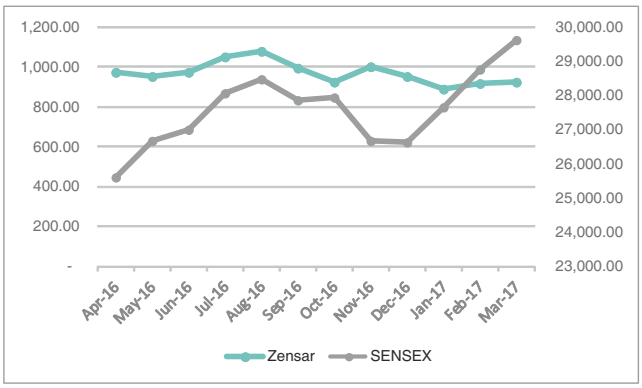
7. **Market Price Data:** High/ low, Number of shares traded during each month in the last Financial Year:

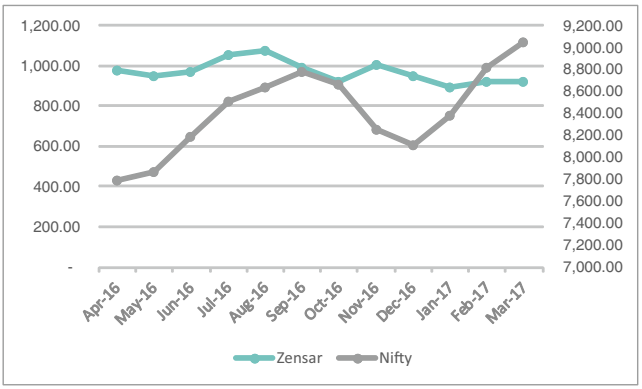
Period	BSE Limited					The National Stock Exchange of India Limited				
	High ₹	Low ₹	Close ₹	Total Traded Quantity	Sensex	High ₹	Low ₹	Close ₹	Total Traded Quantity	Nifty
Apr-16	1016.00	919.00	973.50	85207	25606.62	1020.00	920.00	977.10	1066395	7786.52
May-16	1045.00	940.00	954.15	45686	26667.96	1050.00	944.00	948.90	509967	7871.86
Jun-16	1008.00	915.00	971.25	56773	26999.72	1008.00	912.20	971.00	443400	8191.20
Jul-16	1086.65	972.55	1048.35	94660	28051.86	1085.00	971.50	1051.65	545677	8505.61
Aug-16	1136.05	1038.00	1077.45	680111	28452.17	1136.00	1037.00	1076.65	1462350	8640.42
Sep-16	1111.00	965.00	990.65	76632	27865.96	1115.00	950.30	992.80	661511	8783.33
Oct-16	1029.75	915.20	923.90	51780	27930.21	1044.00	910.00	924.65	440139	8666.75
Nov-16	1070.00	890.95	1002.35	108270	26652.81	1073.50	869.00	1,005.30	772363	8250.75
Dec-16	1028.00	910.00	954.50	21593	26626.46	1030.00	915.00	950.00	398331	8114.03
Jan-17	957.75	883.00	891.05	24781	27655.96	963.40	881.60	892.70	256158	8386.20
Feb-17	954.50	865.00	915.30	100892	28743.32	955.30	867.20	918.75	312363	8813.34
Mar-17	950.00	891.00	924.95	309948	29620.50	952.50	890.00	925.05	660524	9047.06

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

Annexure I to the Directors Report (Contd.)

A performance chart showing Share Price of the Company in comparison with BSE SENSEX as well as NSE Nifty during the year 2016-17 is as below:





8. Registrar and Share Transfer Agent

M/s. Bigshare Services Private Limited, is acting as the Registrar and Share Transfer Agents for the shares of the Company held in both physical and electronic modes. 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:-

Bigshare Services Private Limited

Address: E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri(E),
Mumbai 400 072 India

The details of the concerned person in Bigshare Services Private Limited are as under:-

Name	Ms. Ujata Pokharkar
Telephone no.	022-40430200
E-mail ID	investor@bigshareonline.com
Fax No.	022- 28475207

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 Regulations, every six months, the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

10. Distribution Schedule: As of 31st March, 2017 the distribution of the Company's shareholding was as follows:

No. of equity Shares held	As on 31st March, 2017			
	No. of Share holders	% of Share holders	No. of Shares held	% of Sharehol ding
1- 5000	22799	94.30	2028831	4.52
5001 -10000	793	3.28	586222	1.31
10001-20000	283	1.17	414483	0.92
20001-30000	104	0.43	261884	0.58
30001-40000	43	0.18	154687	0.34
40001-50000	27	0.11	123485	0.28
50001-100000	52	0.22	369623	0.82
100001 & above	76	0.31	40934423	91.22
Total	**24177**	**100.00**	**44873638**	**100.00**

11. Dematerialization of shares and liquidity: The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).The status of dematerialization of shares as on 31st March, 2017 is as under:

Particulars	No. of shares	% of total capital issued
Held in dematerialized form in CDSL	1,295,499	2.89
Held in dematerialized form in NSDL	42,934,514	95.68
Physical	643,625	1.43
Total	**44,873,638**	**100.00**

12. Shareholding pattern:

Details of Shareholding as on 31st March, 2017 was as under:

Category	As on 31st March, 2017			
	No. of Share holders	% Share holders	No. of Shares held	% Share holding
Promoters	13	0.05	21,828,596	48.64
Mutual Funds, Financial Institutions, Banks Insurance Companies, FIIs, Foreign Portfolio Investors, NBFCs registered with RBI	112	0.46	6,998,391	15.60
Individual Shareholders	23,021	95.22	4,549,215	10.14
Bodies Corporate	339	1.40	639,696	1.43
NRI's & Overseas Corporate Bodies	557	2.30	10,511,757	23.43
Public Others	135	0.56	345,983	0.77
Total	**24,177**	**100.00**	**44,873,638**	**100.00**

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

As of 31st March 2017, 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 Directors' Report.

14. Disclosure of foreign exchange risks and hedging activities:

The Company had managed the foreign exchange risk. The details have been disclosed in Note No. 26 to the notes to Annual Accounts.

15. Details of compliance with the mandatory requirements

The Company has complied with the mandatory requirements of the SEBI (LODR) Regulations, 2015.

16. Compliance against discretionary requirements of the SEBI (LODR) Regulations, 2015

1. The Company has appointed different persons for the post of Chairman / Managing Director/ Chief Executive Officer.
2. The Company prepares quarterly investor updates which covers operational details apart from financial details which are uploaded on the website of the Company and stock exchanges. Copies of the same are being provided on request.
3. The Internal Auditor presents the internal audit report to the Audit Committee.

Training of Board members

During the year, the Board members were provided a deep and thorough insight to the business model of the Company through detailed presentations on the operational aspects of the Company's business. At every Board meeting, there is a detailed business presentation made which is useful to the Directors in understanding the business. The presentation is made by the business leader so that the Directors are able to connect with the leader and also ask him related questions. Efforts are also made to acquaint and train the Board members about the emerging trends in the industry. The internal newsletters of the Company are regularly shared with the Board members to keep them up-to-date with the developments in the Company, on a continuing basis.

Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India ('ICSI'), one of the premier professional bodies in India, has issued 10 Secretarial Standards. Out of which 2 Secretarial Standards have been made mandatory as per the provisions of the Companies Act, 2013. The Company adheres by these standards.

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. Nilesh Limaye
Company Secretary, Zensar Technologies Ltd.
Zensar Knowledge Park, Kharadi, Plot # 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 Directors Report (Contd.)

12. Other Shareholders related information:

Provision of the Listing Regulations with respect to Unclaimed Shares

- In compliance with the Regulation 34 (3) read with Schedule V of the Listing Regulations, the Company has opened a DEMAT account in the name of "Zensar Technologies Limited- Unclaimed Securities Suspense Account" for the purpose of transferring the unclaimed shares.
- As and when any shareholder approaches the Company or the Registrar and Transfer Agent (RTA) to claim the above said shares, after proper verification, the shares lying in the Unclaimed suspense account shall either be credited to the DEMAT account of the shareholder or the physical certificates shall be delivered after rematerializing the same, depending on what has been opted by the Shareholder.
- 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, 2016	1,334	75,184
Number of shareholders who approached the Company for transfer of shares from suspense account during the period 2016-17	12	1,054
Number of shareholders to whom the shares were transferred from the suspense account during the period 2016-17	12	1,054
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2017	1,322	74,130

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

For and on behalf of the Board

Sd/-

H.V. Goenka Place: Pune

Chairman Dated: 25th April, 2017

Code of Conduct

In tune with the corporate philosophy, 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 Financial Year 2016-17.

Mr. Sandeep Kishore

Managing Director & Chief Executive Officer

Pune

Dated 25th April, 2017

Annexure I to the Directors Report (Contd.)

CEO/CFO CERTIFICATION

We, Sandeep Kishore, Managing Director and Chief Executive Officer and Mr. Manoj Jaiswal, Chief Financial Officer of Zensar Technologies Ltd. hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 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 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;

  (ii) significant changes in accounting policies during the year 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.

Sandeep Kishore
Managing Director and Chief Executive Officer

Manoj Jaiswal
Chief Financial Officer

Place : Pune
Date : 25th April, 2017

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 31st March, 2017 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure 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 such compliance 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
FCS 1321
C.P. No. 965

Date: 25th April, 2017
Place: Pune

Annexure J to the Directors Report

THE DISCLOSURES IN COMPLIANCE WITH CLAUSE 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
1	Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -			
(i)	Date of Shareholders' approval	25th June, 2002	27th July, 2006	22nd March, 2016
(ii)	Total number of options approved under ESOS	23,68,631	30,00,000	10,00,000
(iii)	Vesting requirements	Vesting over a period of 1 to 4 years from the date of grant based on time. End of Year 1 : 25% End of Year 2 : 25% End of Year 3 : 25% End of Year 4 : 25%	Vesting shall vest over a period of 1 to 5 years from the date of grant based on performance. End of Year 1 : 20% End of Year 2 : 20% End of Year 3 : 20% End of Year 4 : 20% End of Year 5 : 20%	Vesting on or after 1 year from the Date of Grant but not later than 5 years from the Date of Grant or any other period as may be determined by the Nomination and Remuneration Committee.
(iv)	Exercise price or pricing formula	The Nomination and Remuneration Committee decides exercise price for the Stock Options based on the market price ie. the closing price on the Stock Exchange where trading volume is more on the previous day of the Nomination and Remuneration Committee Meeting held for granting of Stock Options. Nomination and Remuneration Committee may determine the Exercise Price at a premium or discount of a maximum of 20% on the market price.	The Nomination and Remuneration Committee decides exercise price for the Stock Options based on the market price ie. the closing price on the Stock Exchange where trading volume is more on the previous day of the Nomination and Remuneration Committee Meeting held for granting of Stock Options. Nomination and Remuneration Committee may determine the Exercise Price at a premium or discount of a maximum of 20% on the market price.	₹10/- each
(v)	Maximum term of options granted	10 years from the date of respective vesting	10 years from the date of respective vesting	2.5 months from the end of calendar year in which Vesting happens.

Annexure J to the Directors Report (Contd.)

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
(vi)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
(vii)	Variation in terms of options	NIL	NIL	NIL
2	Method used to account for ESOS - Intrinsic or fair value	Fair Value	Fair Value	Fair Value
3	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable	Not Applicable	Not Applicable
4	Option movement during the year (For each ESOS):			
(i)	Number of options outstanding at the beginning of the period	55,850	10,29,982	NIL
(ii)	Number of options granted during the year	NIL	213,000	2,53,818
(iii)	Number of options forfeited / lapsed during the year	2,400	2,21,594	NIL
(iv)	Number of options vested during the year	-	1,57,336	NIL
(v)	Number of options exercised during the year	9,500	232,710	NIL
(vi)	Number of shares arising as a result of exercise of options	9,500	232,710	NIL
(vii)	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 1,10,46,250	₹ 4,52,11,470	NIL
(viii)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable
(ix)	Number of options outstanding at the end of the year	43,950	7,88,678	263,818
(x)	Number of options exercisable at the end of the year	43,950	2,45,658	NIL

Annexure J to the Directors Report (Contd.)

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
5				
(i)	Weighted average fair value of options granted during the year whose			
	a Exercise price is equals to market price	NIL	₹ 460.47	NIL
	b Exercise price is greater than market price	NIL	NIL	NIL
	c Exercise price is lesser than market price	NIL	₹ 421.40	₹ 1039.01
(ii)	Weighted average exercise price of options granted during the year whose			
	a Exercise price is equals to market price	NIL	₹ 1100	NIL
	b Exercise price is greater than market price	NIL	NIL	NIL
	c Exercise price is lesser than market price	NIL	₹ 981.66	₹ 10
6	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -			
(i)	Senior Managerial Personnel	NIL	NIL	Name of Employee: Sandeep Kishore; No of PAUs: 1,25,000
(ii)	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL	Name of Employee / No of Stock Options: Mr. John Blackburn 1,25,000; Indranil Roychoudhary 40,000; Raju Hari 12,000; Sandeep Peshkar 12,000; Chandra Tripurani 12,000; Anjali Deodhar 12,000	Name of Employee / No of PAUs: Ajay Bhandari 20,000; Malay Verma 12,500

Annexure J to the Directors Report (Contd.)

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
(iii)	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL	NIL	NIL
7	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:			
(i)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	NIL	Refer Note No 31 (d) (ii) of Notes to Accounts	Refer Note No 31 (d) (i) of Notes to Accounts
(ii)	the method used and the assumptions made to incorporate the effects of expected early exercise	Not Applicable	The method used for the Valuation is the Black and Scholes Method. The estimate of the expected life of the option (i.e. the period form the date of grant to the date on which the option is expected to be exercised) has been considered as an input to the pricing method. The estimate on the expected life of the option is based on the historical exercise behaviour of the employees.	The method used for the Valuation is the Black and Scholes Method. The estimate of the expected life of the option (i.e. the period form the date of grant to the date on which the option is expected to be exercised) has been considered as an input to the pricing method. The estimate on the expected life of the option is based on the historical exercise behaviour of the employees.

Annexure J to the Directors Report (Contd.)

SR. NO.	PARTICULARS	2002 ESOP	2006 ESOP	2016 EPAP
(iii)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Not Applicable	Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. Accordingly, since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. We have considered the daily volatility of the Company's stock price on NSE over these years.	Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. Accordingly, since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. We have considered the daily volatility of the Company's stock price on NSE over these years.
(iv)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Not Applicable	No other feature was considered	No other feature was considered
8	Disclosures in respect of grants made in three years prior to IPO under each ESOS			
(i)	Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made	Not applicable	Not applicable	Not applicable

For and on behalf of the Board

Sd/-

H.V. Goenka Place: Pune

Chairman Dated: 25th April, 2017

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

Sr No	Name	Designation	Remuneration received in INR	Nature of employment whether contractual or otherwise	Qualifications	Experience	Date of commencement of employment	Age	Last Employment held before joining	Percentage of equity shares held	Whether any such employee is relative of any Director and if so name of such Director
1	Ms. Prameela Nagamalati Kalive	Executive Vice President	97,58,160	Contractual	ME & MBA	29	17-Nov-00	51	Athena Consulting Private Ltd.	NA	NO
2	Mr. Ganesh Natarajan*	Vice Chairman & CEO	593,84,955	Contractual	BE(Mech.),P.G.(Ind Engg),Phd.	37	01-Mar-01	59	Aptech Limited	NA	NO
3	Mr. Krishna Ramaswami*	Sr Vice President	80,14,306	Contractual	Bachelor Of Science (B.sc), Post Management in System Management	29	05-Nov-01	50	Sanchez Capital Services	NA	NO
4	Mr. Ajay Bhandari	Sr Vice President	87,26,012	Contractual	Chartered Accountant (CA) and CMA	25	01-Apr-04	48	Fascel Ltd.	NA	NO
5	Mr. Balasubramaniam S	Executive Vice President - CFO	85,79,569	Contractual	Chartered Accountant (CA) and CMA	35	01-Oct-05	59	RPG Life Sciences Ltd	NA	NO
6	Mr. Srinivas Rao Polsani*	Sr Vice President	66,01,192	Contractual	Bachelor Of Engineering (BE)	24	23-Apr-08	48	Satyam Computer Services	NA	NO
7	Mr. Harish Gala	Executive Vice President	93,73,538	Contractual	Master of Management Studies, BHU	30	04-Jun-12	53	Deloitte Cunsulting India Pvt Ltd	NA	NO
8	Mr. Deepanjan Banerjee*	Executive Vice President	1,15,37,874	Contractual	M.Sc	18	27-Jul-98	46	Ananda Bazar Patrika Ltd	NA	NO
9	Mr. Ajit Madhukar Pethkar*	Vice President	49,45,296	Contractual	Bachelor Of Engineering (BE)	21	17-Dec-01	43	CONCIO TECHNOLOGIES	NA	NO
10	Mr. Manoj Jaiswal*	Sr Vice President and Chief Financial Officer	28,29,487	Contractual	Chartered Accountant (CA)	22	17-Jan-17	42	Wipro	NA	NO

*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 but excludes value of stock options exercised during the year
2. The above details are only 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

Sd/-

H.V. Goenka

Chairman

Place: Pune

Dated: 25th April, 2017

Annexure L to the Directors Report

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Identity Number (CIN) of the Company:	L72200PN1963PLC012621
2. Corporate Name of the Company:	Zensar Technologies Limited
3. Registered address:	Zensar Knowledge Park, Plot#4, MIDC Kharadi Off Nagar Road, Pune 411014
4. Website:	www.zensar.com
5. E-mail id:	investor@zensar.com
6. Financial Year reported:	2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	620 (Software development and allied services)
8. List three Key products/services that the Company manufactures/provides (as in balance sheet):	Application Management Services Infrastructure Management Services
9. Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	The key geographical regions for the company includes the United States of America (US), United Kingdom, South Africa and India. The US consists of locations in both the East and West coast. Key locations consisting of San Jose, Westborough, Northborough, Dallas and Princeton. This region has both corporate and sales offices. In the UK, our presence extends to parts of Europe with delivery centers in Veenandal and Slough (UK). We also have presence in Vienna, Amsterdam and Geneva. In South Africa, we are located in Johannesburg in South Africa and in Kenya in East Africa. We have a nearshore delivery center in the region. In India, our global headquarters and delivery center is located in Pune. We have presence in Hyderabad, Mumbai, New Delhi and Bangalore too.
10. Market Served by the Company	International. Company provides services to 43 countries in the world.

Annexure L to the Directors Report (Contd.)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	Rs. 44,87,36,380
2. Total Turnover (INR)	Rs. 12,82,82,35,961.52
3. Total profit after taxes (INR)	Rs. 1,80,21,77,576
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3.10%
5. List of activities in which expenditure in 4 above has been incurred:-	

Sr No	Programme Details	Sector in which covered
A	Udaan English program, Health programs, Community mobilization. Gender Equity Program, Mentoring Program, School Programs	Community development
B	Training progrmmes for Employability & Skill Development, Unnati employability program	Employability enhancement
C	Udaan Biodiversity Park, Development of a terrace garden	Environment Sustenance
D	National Digital Literacy Centers in Anjaiah Nagar (Hyderabad) , Sudumbre (Pune Rural) , Ambedkar Vasti (Chandan Nagar, Pune) and Yamuna Nagar (Pune) Community and through Digital Literacy Buses	Digital Literacy

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has Subsidiary companies as detailed in the Form MGT 9 which forms a part of this report.
2. 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)	Yes. All subsidiaries of the company make an active attempt to participate in the BR Initiatives of the company.
3. 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%]	Yes. All entity/entities (e.g. suppliers, distributors etc.) that the Company does business make an active attempt to participate in the BR Initiatives of the company.

Annexure L to the Directors Report

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR & Details of BR Head.

No.	Particulars	Details
1	DIN Number (if applicable)	07393680
2	Name	Sandeep Kishore
3	Designation	Chief Executive Officer and Managing Director
4	Telephone number	020-66074000
5	e-mail id	investor@zensar.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Please refer below table for details.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Please refer the below table for detailed policy name and link on the website of the Company www.zensar.com to view it online.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Annexure L to the Directors Report (Contd.)

Principle No.	Details of Principle	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	http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/Model_Whistle_blower_policy.pdf	Yes
		Whistle Blower Policy	http://www.zensar.com/sites/all/themes/zensar/pdf/Code_of_Conduct_for_Board_and_Senior_Mgmt.pdf	
		Code of ethics	_	Yes
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	EHS Policy	http://www.zensar.com/sites/default/files/Zensar%20Technologies%20EHS%20Policy%20and%20Objective.ppt	Yes
		Quality Policy	http://www.zensar.com/sites/default/files/Quality%20Policy.pdf	
3	Businesses should promote the well-being of all employees.	Flexi Timing Policy	_	No
		Maternity Policy		
		Open door policy		
		Policy on women's safety at workplace		
		Employee Insurance policy		
		Parents Medicare Policy		
		Care9-an initiative		
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	Yes
		Diversity policy	_	No

Annexure L to the Directors Report (Contd.)

Principle No.	Details of Principle	Applicable policy	Link on the website	Approved by Board of Directors of the Company
5	Businesses should respect and promote human rights.	Code of Conduct	http://www.zensar.com/sites/all/themes/zensar/pdf/Code_of_Conduct_for_Board_and_Senior_Mgmt.pdf	Yes
		Whistle Blower Policy	http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/Model_Whistle_blower_policy.pdf	
6	Businesses should respect, protect, and make efforts to restore the environment.	EHS Policy	http://www.zensar.com/sites/default/files/Zensar%20Technologies%20EHS%20Policy%20and%20Objective.ppt	No
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code of Conduct	http://www.zensar.com/sites/all/themes/zensar/pdf/Investors/Model_Whistle_blower_policy.pdf	Yes
8	Businesses should support inclusive growth and equitable development.	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	Yes
		Diversity policy	_	No
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Code of Conduct	http://www.zensar.com/sites/all/themes/zensar/pdf/Code_of_Conduct_for_Board_and_Senior_Mgmt.pdf	Yes
		Quality Policy	http://www.zensar.com/sites/default/files/Quality%20Policy.pdf	No

(b) 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)									

3. Governance related to BR

The Company is publishing the Business Responsibility Report first time in the financial year 2016-17 as required under SEBI (Listing Obligations and disclosure Requirements) Regulations as a part of its Annual Report and shall continue doing so as may be required under statutory provisions. The Board of Directors shall assess the BR performance of the Company once a year going forward by way of reviewing the draft Business Responsibility Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

Your company has created a sustainable framework of robust corporate governance with a dedicated application called ZenPolicies which combines all policies under ethics, transparency and accountability for employees to refer to anytime, from anywhere. The policies are revisited periodically to ensure that the same is updated with new or altered policies.

All the policies advise a course of action or principle of action by the company for all its associates globally. To make it a convenient and live conversation based approach, in the spirit of transparency, it is interactive whereby a user can pose a question and get the solution from relevant department.

Your company has constituted an Ethics Council which oversees all conduct and related matters. Additionally, it is based out of two locations in India, Pune and Hyderabad. There is a separate Internal Complaints Committee that is constituted to deal with all Sexual Harassment complaints. There is a dedicated email id ICCPune@zensar.com.

Whistle-Blower Policy

The company is committed to ensure compliance of all the applicable laws, Code of Corporate Governance and Ethics adopted by it and policies and procedures framed by it from time to time by the employees and directors of the company.

The purpose of this policy is to provide a framework through which all the employees and directors report their genuine concerns and actual/potential violations to the designated officials of the Company fearlessly as provided in Section 177 of the Companies Act, 2013 and Rules made thereunder.

Principle 2: Products Lifecycle Sustainability

The business operations of Zensar includes software and software related services, hence there is no direct impact to social and environmental factors. However, Zensar takes cognizance of the social and environmental impact that may be caused due to its operational activities (Waste management (including e-waste), Energy Management, CSR activities) and is certified for ISO 14001:2015 (Environmental Management System), OHSAS 18001:20075 (OHS Management System) and ISO 50001:2011 (Energy Management System).

The above certifications are respected and implemented consistently.

As Zensar is not a product based/manufacturing organization, hence usage of water or raw material is not directly applicable in the services provided to the customers. However, since we are certified for Environment, Energy, Health and Safety Standards, monitoring methodologies are defined and consumption of resources like energy and water are tracked. Reduction in consumption targets in energy at an organization level is taken and achieved.

We do procure multiple products and services from across vendors in various categories. At our end, Sustainable Sourcing is driven via EHSEn objectives and initiatives throughout the organization, rather than a documented procedure.

Sustainable sourcing majorly covers following principals that are implemented consistently:

- Energy usage - including mains water and drainage water
- Waste minimization and process efficiencies
- Re-use and recycling opportunities
- Waste disposal implications
- Avoidance of ozone depleting substances
- Reduction of volatile organic compounds
- Reduction of materials containing heavy metals
- Control of discharges to air, land and water
- Noise levels generated from plant and machinery
- 'Eco-Toxicity' of materials released to land, air and water
- Transport choice and pollution.

With respect to procurement of products and services from local vendors and small producers, we do avail the same. Zensar procures services from local vendors and small producers in areas like electrical engineers and operators, transport service providers, local caterers etc. The following initiatives are followed to ensure that it is a documented process that can be improved or altered to better the overall deliverables. A list of the initiatives in practice include the following:

- There are trainings, awareness drives and medical tests conducted and adherence to requirements are mandated, to build and enhance the capabilities of these vendors
- The capacities of small vendors are enhanced by providing support like advance payments
- The records for all these drives are available with respective business enabling functions

In terms of the management of wastage, our business is not concerned with production of manufacturing processes. Zensar is a software development and software related service provider. There are no tangible products released within the organization hence there is no recycle carried out which is needed as per any regulations.

Any waste that is generated by the operational activities of the organization, like paper waste, canteen waste, e-waste, water waste etc., is handled as per the waste management process which is documented and is available on the common portal and is audited on a periodic based on ISO 14001:2015 (Environmental Management System).

Principle 3: Employee's Well-being:

Health and safety of all Zensarians is taken very diligently. The Health and Safety policy at your company is committed to the achievement and maintenance of a high standard of health and safety in all its operations worldwide. The health and safety aspect is integrated into business planning, decision-making and management practices. It also states that where employees develop individual problems that affect their ability to work, problems

will be managed positively and sensitively in the best interests of the employee's own welfare, consistent with the need to minimize the cost of ill-health to the Company.

As on March 31, 2017, there were 8524 permanent employees in the Company located globally, of which 2054 were women. The Company had employed 532 people on a contract basis. The total number of employees with disabilities is 6.

There is a separate Internal Complaints Committee that is constituted to deal with all Sexual Harassment complaints. There is a dedicated email id ICCPune@zensar.com.

Our Company promotes and practices fair business practices. During the year, there were no complaints alleging child labour, forced labour involuntary labour or discriminatory employment.

However, 1 complaint was received by the Internal Complaints Committee, which reviews and settles grievances/complaints under the policy on Prevention of sexual harassment at workplace.

We had organized Safety (ESH) related training for 27.81 percent of the employees. Around 94.7% of Zensar employees were given skill upgradation training during FY17.

Principle 4: Stakeholder Engagement

Your Company follows a transparent and proactive culture of ensuring that all its stakeholders including investors, employees, customers, analysts, and media are updated on all key initiatives and business plans. One of the core values of your company is customer-centricity and the same is evident in the way it conducts its market facing communication.

The Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

Special initiatives are taken by the company to engage with the stakeholders posing any significant risks. A program plan is documented in order to address such risks which includes various initiatives or actions planned, along with the timelines and responsibility demarcation. The same is communicated to the stakeholders involved as per the organization communication plan.

The Quality Policy of the Company clearly outlines the commitment to meeting customer's needs and expectations by delivering industry-relevant services and solutions through continual improvement of our processes and systems.

Your Company is committed to engage with its investors regularly with investor calls, announcement of its financial results, frequent updates to its investor section, media announcements on all 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 Board Members and the leadership of the company.

We regularly interact with various media outlets, (print, broadcast and internet) and publish the interactions on our website for all to refer to. Any association with trade bodies is done as per the relevant and extant laws; and as per the principles embedded in our Code of Ethics.

In order to ensure there is organization-wide adherence to the above mentioned Code, we have various policies for all internal stakeholders like the Media relations policy, Social Media Policy, Whistle Blower Policy etc. These policies aim to maintain the governance framework diligently.

Internal employee engagement focuses on internal updates on events, achievements, corporate news and happenings globally being shared with all employees as it happens. One of the key achievements for the company this year has been the transition to a 100 percent digitally enabled operational framework. There are applications for each policy, as well as all videos of leadership and the quarterly CEO Webcast after each quarterly results beamed in real-time across all locations virtually. Employees can directly pose questions to the leadership and get answers in real-time. Our conversation with CEO, applications, the ZenVerse has made our CEO within reach to all the global employees. They can share an idea, air concerns and express feedback on this platform where directly the CEO responds to each query.

Our annual gathering of global customers, The Global Customer Conclave at our Pune campus, brings to the fore, the spirit of conversation and engagement each year.

Principle 5: Human Rights

Your company respects, practices and encourages Human Rights. Transparency, safe working environments and honest culture is the foundation on which the Company conducts its business operations.

Your Company complies with all local laws, and values as forming part of the Constitution of India and the international labour and local regulations across its global locations. The Company encourages its partners, customers and vendors to respect human rights and strictly avoid any violation of them.

In order to protect and promote the Human Rights across its employees, there are clear policies outlining the conduct towards the same. Various people led policies like Code of Ethics, Prevention of Sexual Harassment at workplace policy, Health Insurance Policy, Pregnancy Care Policy, CSR Policy Voluntary Provident Fund Policy etc. are in place. The same are periodically reviewed to ensure that they comply with changes in existing laws and regulations.

Principle 6: Environment

Zensar provides an environment that is uncluttered with hierarchy and acknowledges each individual's uniqueness by rewarding achievement and entrepreneurship. Zensar's environment policy 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 organization to address the Energy and Environmental impacts caused by the company's activities while delivering its services to the global customers. Since Zensar is EHSEn certified, aspect impact study is conducted and potential environmental risks are identified at department /function and project delivery levels and associated mitigations are documented.

The architecture, campus, processes and practices in Zensar is a true reflection of our commitment to the values of transparency, trust and respect. The Zen principal of ecologically sustainable designs are thus reflected everywhere.

Green Building - As part of design process of building our campus, we have taken care and implemented various energy and water conservation techniques such as, Installation of air cooled intelligent HVAC system which results into low energy consumption and no water consumption, Double walled construction for AC halls for excellent thermal insulation and reduction of load on air conditioning, CFL light fittings for low power consumption to name a few.

The engineers from the electricity board have also appreciated the effort taken towards power conservation by Zensar and they have confirmed that there is less power demand received from Zensar. This has helped us achieve savings of approximately 1,45,090 units of power for all location.

One show cause notice issued by MPCB is pending for resolution upto their satisfaction as on the end of financial year.

Principle 7: Policy Advocacy

The Company does practice a culture of running a responsible business and implementing regulatory policies that are in accordance with the local laws. The Company understand 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. Our CSR program ensures that it is shaped to influence public opinion favorably to support our causes and empower the communities we operate in.

It contributes to the development of Industry and also aims to make a transformational difference to the issues that matter most to its business.

Principle 8: Inclusive Growth

Your company has a robust CSR initiative that is aimed at transforming the community where we operate in. The CSR activities are 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 including eye health, community development etc. The RPG Foundation is authorized to undertake Corporate Social Responsibility (CSR) initiatives for various RPG Group Companies with a clear purpose to oversee, create synergies and encourage exchange of ideas, adoption of best practices and learning.

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.

Through our programs, the vision and mission of empowering communities, fostering happiness and building capacities help us in minimizing/reducing any possible negative impacts.

There is in-house monitoring of impact. Success stories are captured by looking at individual and community transformation in comparison to the principles of the CSR work.

Principle 9: Customer Value

Your company engages with multiple contractors, suppliers and vendors in the course of its business. Customers include large corporations having worldwide presence. We ensure that we work towards delivering on customer's expectations and ensuring that there is compliance across the legal requirements of each local laws.

The company has not reported any consumer case, customer complaint or grievances in the financial year under review.

Customer Satisfaction surveys are carried out at 2 different levels in order to capture customer perception about the services delivered by the organization.

There is an external customer satisfaction survey conducted by the third party at an organization level and delivery level survey conducted internally. Survey results and trends are reviewed in management review meetings.

For and on behalf of the Board

Sd/-

H.V. Goenka	Place: Pune
Chairman	Dated: 25th April, 2017

Annexure M to the Directors' Report

DIVIDEND DISTRIBUTION POLICY

Preamble:

The Securities and Exchange Board of India vide its Notification No. SEBI/LAD-NRO/GN/201617/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year. In compliance with Regulation 43A of the Listing Regulations, the Company has framed Dividend Distribution Policy which will be effective from the date of adoption of the same by the Board of Directors (the Board).

I Objective

This Policy intends to assist investors and stakeholders for their investing decisions.

II Regulatory Framework

The Dividend, if any, declared by the Company (including Interim Dividend) shall be governed by the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the provisions in Company's Articles of Association.

III Parameters to be considered for declaration of dividend

A General:

- The Company shall ensure that distribution of dividend protects the rights of minority shareholders.
- The Board shall not recommend dividend if it is of the opinion that it is financially not prudent to do so.

B Financial and Internal Parameters:

The Board would consider the following financial and internal parameters before declaring or recommending dividend to shareholders:

- Stand-alone net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements and loan repayments;
- Resources required to fund acquisitions and in-organic growth;
- Cash flow required to meet contingencies;
- Outstanding borrowings and total debt equity ratio;
- Past dividend payment trends of the Company.
- Change in capital structure of the Company.

C External Parameters:

- Regulatory restrictions, if any and the prevalent statutory requirements
- Provisions of Tax laws governing dividend
- Economic environment and state of the capital markets
- Dividend Pay-out ratios of peers

IV Circumstances under which the shareholders may or may not expect dividend:

The Company has been consistently paying out dividends to its shareholders and can be reasonably expected to continue declaring in future as well unless the Company is restrained to declare dividend due to insufficient profits or due to any of the internal or external factors listed above.

Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize surplus profit for buy-back of existing share capital.

V Policy as to how the retained earnings shall be utilized

The profits being retained in the business shall continue to be deployed for augmentation of working capital, repayment of term loans, Capital expenditure, to fund acquisitions, to fund in-organic growth and thus contributing to the growth of business and operations of the Company.

VI Parameters that shall be adopted with regard to various classes of shares:

The Authorised Share Capital of the Company is divided into equity share of face value ₹ 10.00 each and Preference shares of face value ₹ 100.00 each.

At present, however, the issued and paid-up share capital of the Company comprises of only equity shares.

The Company shall first declare dividend on outstanding preference shares if any, as per the terms of issue of such preference shares, and

thereafter, the dividend would be declared on equity shares.

The equity shareholders of the Company, as on the record date to be decided, shall be entitled to receive dividends.

VII Procedure for deciding quantum of dividend:

- The Chief Financial Officer (CFO) after considering the parameters mentioned above and in consultation with the Managing Director (MD) will propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
- The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- The final dividend recommended by the Board is subject to approval by the shareholders in the ensuing Annual General Meeting.
- The interim dividend declared by the Board requires confirmation by the shareholders in the ensuing Annual General Meeting.
- In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and Regulations from time to time..

VIII Disclosure:

The Company shall make appropriate disclosures as required under the Listing Regulations.

IX Amendments:

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

X. Effective Date:

This policy shall be effective from January 24, 2017.

For and on behalf of the Board

Sd/-

H.V. Goenka Place: Pune

Chairman Dated: 25th April, 2017

FINANCIAL

STATEMENTS

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**.

    (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 29 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 38 to the standalone Ind AS financial statements,

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: 25th April, 2017

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

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.

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

Annexure A to Independent Auditors' Report (Contd.)

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

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

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: 25th April , 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Zensar Technologies Limited on the standalone financial statements as of and for the year ended March 31, 2017.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has granted unsecured loans, to two companies covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) The Company has fully provided for the aforesaid loans in the books of account.

(c) Except for INR 1,391.02 lakhs in respect of two subsidiaries (liquidated/ under liquidation), which have been fully provided for, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub- section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Income tax	0.09	Financial Year 2006-07	Commissioner of Income-tax (Appeals)
Income Tax Act	Income tax	3.77	Financial Year 2008-09	Income tax Appellate Tribunal
Income Tax Act	Income tax	74.17	Financial Year 2010-11	Assistant Commissioner of Income Tax
Income Tax Act	Income tax	1.13	Financial Year 2007-08	Income tax Appellate Tribunal
Wealth Tax Act	Wealth Tax	19.19	Financial Year 2003-04	Income tax Appellate Tribunal
Finance Act, 1994	Service tax	9.57	Financial Year 2005-06	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service tax	1.72	Financial Year 2005-06	Commissioner of Central Excise (Appeals)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	53.98*	Financial Year 2009-10	Joint Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	170.63*	Financial Year 2011-12	Deputy Commissioner of Sales tax
The Municipal Corporation of city of Pune	Property tax	1,221.48*	Financial Year 2006 to Financial Year 2017	The Judge, Small Cause Court (Pune)

*Net of amount paid under protest.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any Financial Institution or Bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of

Annexure B to Independent Auditors' Report

Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: 25th April, 2017

Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
Assets				
Non current assets				
(a) Property, plant and equipment	4	8,159.82	8,201.68	7,749.41
(b) Capital work-in-progress	4	99.76	18.40	64.29
(c) Goodwill	5	1,276.29	1,276.29	1,276.29
(d) Other intangible assets	5	743.04	1,021.35	1,396.55
(e) Intangible assets under development	5	162.08	150.82	78.99
(f) Financial assets				
i. Investments	6 (a)	7,765.75	467.53	715.61
ii. Loans	6 (d)	-	-	-
iii. Other financial assets	6 (e)	1,123.55	1,007.24	865.69
(g) Deferred tax assets (net)	7	1,494.00	1,467.69	1,141.75
(h) Other non-current assets	8	279.06	334.28	549.79
(i) Income tax assets (net)	17 (a)	2,170.25	1,404.09	2,028.96
Total Non-current assets		23,273.60	15,349.37	15,867.33
Current assets				
(a) Financial assets				
i. Investments	6 (b)	14,667.13	10,783.98	9,497.09
ii. Trade receivables	6 (c)	59,631.25	52,522.29	45,117.91
iii. Cash and cash equivalents	6 (g)	5,874.70	8,400.41	5,034.72
iv. Bank balances other than (iii) above		196.34	208.37	124.75
v. Unbilled revenue		17,481.06	16,879.51	10,994.07
vi. Other financial assets	6 (f)	5,458.05	3,385.09	1,729.49
(b) Other current assets	9	4,506.15	4,295.37	3,745.45
Total current assets		1,07,814.68	96,475.02	76,243.48
Total assets		**1,31,088.28**	**1,11,824.39**	**92,110.81**
Equity and liabilities				
Equity				
(a) Equity share capital	10 (a)	4,487.36	4,463.14	4,432.68
(b) Other equity				
i. Reserves and surplus	10 (b)	1,07,526.23	91,140.61	76,337.62
ii. Other components of equity	10 (d)	803.43	25.19	242.79
Total equity		1,12,817.02	95,628.94	81,013.09
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
i. Borrowings	11 (a)	25.37	77.44	149.49
(b) Provisions	13	97.27	91.17	90.75
(c) Employee benefit obligations	15	1,528.06	1,263.75	1,175.88
Total non-current liabilities		1,650.70	1,432.36	1,416.12
Current liabilities				
(a) Financial liabilities				
i. Borrowings	11 (a)	1,459.13	1,325.04	-
ii. Trade payables	12	5,279.00	3,327.82	2,072.47
iii. Other financial liabilities	11 (b)	5,422.01	6,096.68	4,249.96
(b) Provisions	14	-	220.00	-
(c) Employee benefit obligations	15	2,502.32	1,459.21	2,181.35
(d) Unearned revenue		739.58	702.77	407.74
(e) Other current liabilities	16	1,061.58	1,086.13	641.83
(f) Income tax liabilities (net)	17 (a)	156.94	545.44	128.25
Total current liabilities		16,620.56	14,763.09	9,681.60
Total liabilities		**18,271.26**	**16,195.45**	**11,097.72**
Total equity and liabilities		**1,31,088.28**	**1,11,824.39**	**92,110.81**

The above Balance Sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Statement of Profit And Loss

(All amounts in INR Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	18	1,28,282.36	1,24,527.68
Other income (net)	19	1,167.70	5,274.16
Total income		**1,29,450.06**	**1,29,801.84**
Expenses			
Purchase of licenses for software applications		7,222.20	5,258.59
Employee benefits expense	20	70,288.02	64,150.69
Cost of manpower hired		2,092.78	2,815.91
Depreciation and amortisation expense	21	3,390.85	3,471.62
Other expenses	22	20,951.00	21,454.01
Finance costs	23	206.92	223.82
Total expenses		**1,04,151.77**	**97,374.64**
Profit before tax		**25,298.29**	**32,427.20**
Income tax expense	24		
Current tax		7,548.68	9,094.07
Deferred tax		(272.17)	(489.34)
Total tax expense		**7,276.51**	**8,604.73**
Profit for the year		**18,021.78**	**23,822.47**
Other comprehensive income			
Items that may be reclassified to profit or loss			
- Fair value changes on cash flow hedges	10 (d)	710.42	465.50
- Exchange difference on translation of foreign operations	10 (d)	479.69	(794.78)
- Income tax relating to these items	10 (d)	(411.87)	111.68
		778.24	(217.60)
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations	15	(727.08)	(222.69)
- Income tax relating to this item	24	251.63	77.07
		(475.45)	(145.62)
Other comprehensive income for the year, net of tax		**302.79**	**(363.22)**
Total comprehensive income for the year		**18,324.57**	**23,459.25**
Earnings per share - [nominal value per share Rs.10/- (March 31, 2016: Rs.10/-)]	32		
- Basic		40.28	53.59
- Diluted		39.71	52.79

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Statement of changes in equity

(All amounts in INR Lakhs, unless otherwise stated)

	Notes	Equity share capital	Reserves and Surplus						Other components of equity		Total
			Capital redemption reserve	Share based payment reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Foreign currency translation reserve	
Balance at April 1, 2015		**4,432.68**	**442.40**	**472.72**	**1,151.75**	**13,662.52**	**60,608.23**	**-**	**242.79**	**-**	**76,580.41**
Profit for the year	10 (c)	-	-	-	-	23,822.47	-	-	-	-	**23,822.47**
Fair value changes on cash flow hedges, net of tax	10 (d)	-	-	-	-	-	-	-	302.10	-	**302.10**
Exchange differences on translation of results and financial postion of foreign operation, net of tax	10 (d)	-	-	-	-	-	-	-	-	(519.70)	**(519.70)**
Remeasurement of net defined benefit liability / asset, net of tax effect	10 (c)	-	-	-	-	(145.62)	-	-	-	-	**(145.62)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**23,676.85**	**-**	**-**	**544.89**	**(519.70)**	**23,459.25**
Transaction with owners in their capacity as owners:											
Dividends paid (including corporate dividend tax)	10 (c)	-	-	-	-	(9,692.48)	-	-	-	-	**(9,692.48)**
Compensation cost related to employee share-based payment	10 (c)	-	-	412.17	-	-	-	-	-	-	**412.17**
Issue of equity shares on exercise of options	10 (a), 10 (c)	30.46	-	(6.96)	413.41	-	-	-	-	-	**406.45**
Stock options lapsed/cancelled during the year	10 (c)	-	-	(9.64)	-	-	9.64	-	-	-	**-**
Transfer to general reserve	10 (c)	-	-	-	-	(14,000.00)	14,000.00	-	-	-	**-**
Balance as at March 31, 2016		**4,463.14**	**442.40**	**868.29**	**1,565.16**	**13,646.89**	**74,617.87**	**-**	**544.89**	**(519.70)**	**91,165.80**
Profit for the year	10 (c)	-	-	-	-	18,021.78	-	-	-	-	**18,021.78**
Fair value changes on cash flow hedges, net of tax	10 (d)	-	-	-	-	-	-	-	464.56	-	**464.56**
Exchange differences on translation of results and financial postion of foreign operation, net of tax	10 (d)	-	-	-	-	-	-	-	-	313.68	**313.68**
Remeasurements of net defined benefit liability / asset, net of tax effect	10 (c)	-	-	-	-	(475.45)	-	-	-	-	**(475.45)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**17,546.33**	**-**	**-**	**1,009.45**	**(206.02)**	**18,324.57**

Statement of changes in equity

(All amounts in INR Lakhs, unless otherwise stated)

	Notes	Equity share capital	Reserves and Surplus						Other components of equity		Total
			Capital redemption reserve	Share based payment reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Foreign currency translation reserve	
Transaction with owners in their capacity as owners:											
Dividends paid (including corporate dividend tax)	10 (c)	-	-	-	-	(2,610.27)	-	-	-	-	**(2,610.27)**
Compensation cost related to employee share-based payment	10 (c)	-	-	1,013.61	-	-	-	-	-	-	**1,013.61**
Issue of equity shares on exercise of options	10 (a), 10 (c)	24.22	-	(35.54)	471.49	-	-	-	-	-	**435.95**
Stock options lapsed/cancelled during the year	10 (c)	-	-	(12.74)			12.74				**-**
Transfer to general reserve	10 (c)	-	-	-	-	(10,000.00)	10,000.00	-	-	-	**-**
Transfer to special economic zone re-investment reserve	10 (c)	-	-	-	-	(180.00)	-	180.00	-	-	**-**
Balance as at March 31, 2017		**4,487.36**	**442.40**	**1,833.62**	**2,036.65**	**18,402.95**	**84,630.61**	**180.00**	**1,009.45**	**(206.02)**	**108,329.66**

The above Statement of changes in equity should be read in conjunction with the accompanying notes.
This is the Statement of changes in equity referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Statement of Cash Flows

(All amounts in INR Lakhs, unless otherwise stated)

	March 31, 2017		March 31, 2016	
Cash flow from operating activities				
Profit before taxation		25,298.29		32,427.20
Adjustments for:				
Depreciation and amortisation	3,390.85		3,471.62	
Employee share based payment expense	199.33		189.82	
(Profit) / loss on sale of investments (net)	(480.85)		(306.93)	
Changes in fair value of financial assets at fair value through profit and loss	(915.78)		(444.12)	
Unwinding of discount on security deposits	(132.64)		(119.77)	
Dividend income	(468.13)		(1,188.13)	
Interest income	(82.66)		(345.16)	
Finance costs	206.92		223.82	
Guarantee commission	(68.37)		(89.87)	
(Profit) / loss on sale of tangible assets (net)	(27.67)		(8.53)	
Provision for doubtful debts	142.56		1,020.87	
Provision for diminution in the value of investments	-		248.08	
Net exchange differences	1,591.19	3,354.75	(834.91)	1,816.79
Operating profit before working capital changes		**28,653.04**		**34,243.99**
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	16.33		(21.78)	
(Increase)/ decrease in other non current assets	55.22		215.51	
(Increase)/ decrease in trade receivables	(7,251.52)		(8,425.25)	
(Increase)/ decrease in other current financial assets	(1,149.67)		(6,850.80)	
(Increase)/ decrease in other current assets	(210.78)		(549.92)	
Increase/ (decrease) in non current provisions	6.10		0.42	
Increase/ (decrease) in non current employee benefit obligations	264.31		87.87	
Increase/ (decrease) in trade payables	1,951.18		1,255.35	
Increase/ (decrease) in other current financial liabilities	(662.64)		1,763.10	
Increase/ (decrease) in current provisions	(220.00)		220.00	
Increase/ (decrease) in current employee benefit obligations	316.03		(944.83)	
Increase/ (decrease) in other current liabilities	12.26	(6,873.18)	739.33	(12,511.00)
Cash generated from operations		**21,779.86**		**21,732.99**
Income taxes paid (net of refunds)		(8,617.72)		(7,699.86)
Net cash inflow from operating activities		**13,162.14**		**14,033.13**
Cash flow from investing activities				
Purchase of tangible/intangible assets including capital work in progress	(3,185.31)		(3,577.28)	
Sale of tangible/intangible assets	44.17		11.19	
Purchase of investments	(57,822.14)		(57,694.18)	
Sale of investments	48,037.29		57,158.34	
Interest income	82.66		345.16	
Dividend income	468.13		1,188.13	
Net cash used in investing activities		**(12,375.20)**		**(2,568.64)**

Statement of Cash Flows

(All amounts in INR Lakhs, unless otherwise stated)

	March 31, 2017		March 31, 2016	
Cash flow from financing activities				
Proceeds from share allotment under employee stock option schemes	460.17		434.47	
Interest paid	(206.92)		(223.82)	
Proceeds of short-term borrowings	134.07		1,325.04	
Guarantee commission	68.37		89.87	
Proceeds / (repayment) of long-term borrowings	(52.07)		(72.00)	
Dividend on equity shares and tax thereon	(2,610.27)		(9,692.48)	
Net cash used in financing activities		**(2,206.65)**		**(8,138.92)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1,106.00)		40.12
Net increase/(decrease) in cash and cash equivalents		**(2,525.71)**		**3,365.69**
Cash and cash equivalents at the beginning of the financial year		8,400.41		5,034.72
Cash and cash equivalents at the end of the financial year		5,874.70		8,400.41

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:

	2016-17	2015-16	2014-15
Cash on Hand	8.48	4.59	3.84
Balances with Banks	5,866.22	8,395.82	5,030.88
Total	**5,874.70**	**8,400.41**	**5,034.72**

The accompanying notes are an integral part of these financial statements.
This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Notes to the Financial Statements

as at and for the year ended March 31, 2017

1. Background

Zensar Technologies Limited (the "Company") along with its wholly owned and controlled 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 and Zensar (South Africa) Pty Limited Professional Access Limited, Foolproof Limited and Knit Limited (effective from November 02, 2016) 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 public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2. Summary of significant accounting policies

a. Basis of preparation

(i) 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.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) 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

(iii) 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.

b. 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 Profit or 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 profit or loss are also recognised in Other comprehensive income 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 of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal.

c. Revenue Recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, and sale of software licences.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

The company recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The Company estimates its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(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:

Revenues from fixed-price contracts, including IT Infrastructure development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

'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.

(iv) Multiple element arrangements:

Revenue from contracts with multiple-element arrangements are recognized using the guidance in Ind AS 18, Revenue. The Company allocates the arrangement consideration to separately identifiable components based on their relative fair values or on the residual method. Fair values are determined based on sale prices for the components when it is regularly sold separately, third-party prices for similar components or cost plus an appropriate business-specific profit margin related to the relevant component.

(v) Sale of licenses:

Revenue from sale of licenses and support are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

(ii) DeferredTax:

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, associates 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 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.

(iii) Minimum Alternate Tax (MAT)

MAT credit 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 (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 Company 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 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.

f. 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 identificable 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.

g. 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.

h. 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.

i. 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 though 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.

(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 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 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 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 ecnonomic 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.

j. 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 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 and financial guarantee contracts.

(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/ loss 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 at 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. The amounts are unsecured and are usually paid within 30 days of recognition. 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.

Financial guarantee contracts:

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.No adjustment to cost of investment is carried out incase the compensation for such gurantee is equivalent to the conctractual cashflow differential with gurantee and without gurantee.

(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.

k. 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 income.

l. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforeacble 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.

m. 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 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.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such 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) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its property, plan and equipment recognised as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) 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 prescribed in Schedule II	Useful life as followed by the Company
Server and Networking Equipment	6 years	4 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 lease of land with a tenure of 95 years has been classifed as finance lease and is depreciated over the lease period.

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.

n. Business combinations, Goodwill and Intangible Assets

(i) Business combinations:

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expensed as incurred.

The cost of an acquisition also includes the fair value of any contingent consideration measured as at the date of acquisition. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognized in the Statement of profit and loss.

(ii) Goodwill:

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized in other comprehensive income and accumulated in equity as Capital reserve unless there is no clear evidence for the underlying reason for classification of Business combination as a bargain purchase in which case, it shall be recognised directly in equity as Capital reserve. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(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 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 the expenditure attributable to the said assets during its development can be measured reliably.

(iv) 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 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.

(v) 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 as per Schedule II
Computer Software (acquired)	1-5 years
Technical know-how (internally generated)	3 years

(vi) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all intangible assets recognised as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

o. 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.

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 terminatizng the contract.

p. 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 fund:

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 as and when incurred.

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) 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.

(iii) 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 the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Profit or 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.

Where the Company grants rights to its equity instruments to the employees of its subsidiaries it measures its obligations in accordance with requirements applicable to equity settled share based payment transactions. In such cases the subsidiaries measure the service received from its employees and recognise a corresponding increase in equity as a contribution from parent while the Company recognises an increase in its investment in the subsidiary, except for grants with repayment arrangements.

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.

q. 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.

r. 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.

s. 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.

t. 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.

u. Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

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. 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. 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.

c. Goodwill

Goodwill is tested for impairment at least annually and 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.

d. 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 15.

e. 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.

4. Property, plant and equipment

	Freehold Land	Leasehold Land	Buildings	Improvement to Leasehold Premises	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data Processing Equipments	Data Processing Equipments - Finance lease	Motor Vehicles	Total	Capital work in progress
Gross carrying amount												
Deemed cost as at April 1, 2015	0.49	227.90	3,911.79	412.14	410.69	832.69	463.18	1,108.48	230.21	151.84	**7,749.41**	64.29
Additions	-	-	24.27	33.46	336.37	339.64	0.85	1,483.11	60.77	39.91	**2,318.38**	19.23
Disposals/Adjustments	-	-	-	-	-	-	-	-	(0.47)	(2.18)	**(2.65)**	-
Transfers	-	-	-	-	-	-	-	-	-	-	**-**	(65.12)
Gross carrying amount as at March 31, 2016	**0.49**	**227.90**	**3,936.06**	**445.60**	**747.06**	**1,172.33**	**464.03**	**2,591.59**	**290.51**	**189.57**	**10,065.14**	**18.40**
Accumulated depreciation												
Depreciation charge during the year	-	2.77	178.94	163.34	161.32	188.32	108.74	829.82	173.36	63.93	**1,870.54**	-
Exchange translation differences	-	-	-	-	(0.09)	(4.17)	-	(2.82)	-	-	**(7.08)**	-
Closing accumulated depreciation as at March 31, 2016	**-**	**2.77**	**178.94**	**163.34**	**161.23**	**184.15**	**108.74**	**827.00**	**173.36**	**63.93**	**1,863.46**	**-**
Net carrying amount as at March 31, 2016	**0.49**	**225.13**	**3,757.12**	**282.26**	**585.83**	**988.18**	**355.29**	**1,764.59**	**117.15**	**125.64**	**8,201.68**	**18.40**

	Freehold Land	Leasehold Land	Buildings	Improvement to Leasehold Premises	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data Processing Equipments	Data Processing Equipments - Finance lease	Motor Vehicles	Total	Capital work in progress
Gross carrying amount												
As at March 31, 2016	0.49	227.90	3,936.06	445.60	747.06	1,172.33	464.03	2,591.59	290.51	189.57	**10,065.14**	18.40
Additions	-	-	109.10	11.52	169.65	126.95	144.15	1,259.50	3.81	65.61	**1,890.29**	83.82
Disposals/Adjustments	-	-	-	-	-	(0.02)	(2.60)	(0.23)	-	(13.65)	**(16.50)**	-
Transfers	-	-	-	-	-	-	-	-	-	-	**-**	(2.46)
Gross carrying amount as at March 31, 2017	**0.49**	**227.90**	**4,045.16**	**457.12**	**916.71**	**1,299.26**	**605.58**	**3,850.86**	**294.32**	**241.53**	**11,938.93**	**99.76**
Accumulated Depreciation												
As at March 31, 2016	-	2.77	178.94	163.34	161.23	184.15	108.74	827.00	173.36	63.93	**1,863.46**	-
Depreciation charge during the year	-	2.77	180.11	114.79	178.47	190.64	120.18	1,002.01	80.67	40.50	**1,910.14**	-
Exchange translation differences	-	-	-	-	0.08	0.80	3.28	1.34	-	-	**5.51**	-
Closing accumulated depreciation as at March 31, 2017	**-**	**5.54**	**359.05**	**278.13**	**339.78**	**375.59**	**232.20**	**1,830.35**	**254.03**	**104.43**	**3,779.11**	**-**
Net carrying amount as at March 31, 2017	**0.49**	**222.36**	**3,686.11**	**178.99**	**576.93**	**923.67**	**373.38**	**2,020.50**	**40.29**	**137.10**	**8,159.82**	**99.76**

(i) **Capital work-in progress:**
Capital work-in progress mainly comprises improvements to leasehold premises.

(ii) **Contractual obligations:**
Refer note 30 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) **Leased assets**
- Data Processing Equipments leased assets represents assets where the Company is a lessee under finance lease.
- The Lease term in respect of assets acquired under finance leases generally expire within four years. Under the term of leases, the company has the option to acquire the leased assets for 15% of their agreed value on expiry of leases.

5. Intangible assets

The following tables present the reconciliation of changes in carrying value of intangible assets :

	Computer Software (Acquired)	Technical know-how (Internally generated)	Total Other intangible assets	Intangible assets under development	Goodwill
Gross carrying amount					
Deemed cost as at April 1, 2015	813.40	583.15	**1,396.55**	78.99	1,276.29
Additions	1,225.88	-	**1,225.88**	71.83	-
Gross carrying amount as at March 31, 2016	**2,039.28**	**583.15**	**2,622.43**	**150.82**	**1,276.29**
Accumulated amortisation					
Amortisation charge for the year	1,406.19	194.89	**1,601.08**	-	-
Closing accumulated amortisation as at March 31, 2016	**1,406.19**	**194.89**	**1,601.08**	**-**	**-**
Net carrying amount as at March 31, 2016	**633.09**	**388.26**	**1,021.35**	**150.82**	**1,276.29**

	Computer Software (Acquired)	Technical know-how (Internally generated)	Total Other intangible assets	Intangible assets under development	Goodwill
Gross carrying amount					
As at March 31, 2016	2,039.28	583.15	**2,622.43**	150.82	1,276.29
Additions	1,202.40	-	**1,202.40**	11.26	-
Gross carrying amount as at March 31, 2017	**3,241.68**	**583.15**	**3,824.83**	**162.08**	**1,276.29**
Accumulated Amortisation					
As at March 31, 2016	**1,406.19**	**194.89**	**1,601.08**	**-**	**-**
Amortisation charge for the year	1,286.34	194.37	**1,480.71**	-	-
Closing accumulated amortisation as at March 31, 2017	**2,692.53**	**389.26**	**3,081.79**	**-**	**-**
Net carrying amount as at March 31, 2017	**549.15**	**193.89**	**743.04**	**162.08**	**1,276.29**

(i) **Impairment tests for goodwill -** Refer note 33

(ii) **Research and development expenditure -** Aggregate amount of research and development expenditure recognised as an expense during the year is Rs. 98.95 lakhs (March 31, 2016 : Nil).

(iii) **Intangible assets under development -** These include development of internally generated software to effectively manage IT operations.

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

6 Financial assets

(a) Non-current investments

		March 31, 2017	March 31, 2016	April 1, 2015
(i)	**Investment carried at Fair Value through Other Comprehensive Income (FVOCI)**			
	Investment in equity instruments - Quoted			
	100 (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in CFL Capital Financial Services Limited	0.02	0.02	0.02
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in CESC Limited	-	0.05	0.05
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in Harrisons Malayalam Limited	-	0.04	0.04
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in Saregama India Limited	-	0.01	0.01
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in Stel Holdings Limited	-	-	-
	Total	**0.02**	**0.12**	**0.12**
	Investment in equity instruments - Unquoted			
	100 (March 31, 2016: 100, April 1, 2015: 100) Equity Shares of Rs. 9 (March 31, 2016: Rs. 9, April 1, 2015: Rs. 9) each fully paid-up in Spencer & Company Limited (consequent to the reduction in the paid up capital)	0.08	0.08	0.08
	Total	**0.08**	**0.08**	**0.08**
(ii)	**Investments carried at cost** **Investment in equity instruments of subsidiary companies - Unquoted**			
	Zensar Technologies Inc.			
	2,00,000 (March 31, 2016: 2,00,000, April 1, 2015: 2,00,000) Shares of an aggregate cost of US$ 10,00,000 (March 31, 2016: US$ 10,00,000, April 1, 2015: US$ 10,00,000) of the common stock of no par value	290.30	290.30	290.30
	Zensar Technologies (Singapore) Pte Ltd.			
	3,00,000 (March 31, 2016: 3,00,000, April 1, 2015: 3,00,000) Shares of an aggregate cost of S$ 3,00,000 (March 31, 2016: S$ 3,00,000, April 1, 2015: S$ 3,00,000) of the common stock of S$ 1 each	78.02	78.02	78.02
	Zensar Technologies (UK) Limited			
	50,000 (March 31, 2016: 50,000, April 1, 2015: 50,000) Shares of an aggregate cost of GBP 50,000 (March 31, 2016: GBP 50,000, April 1, 2015: GBP 50,000)	38.51	38.51	38.51
	Zensar Advanced Technologies Limited			
	20 (March 31, 2016: 20, April 1, 2015: 20) Equity Shares of JPY 50,000 (March 31, 2016: JPY 50,000, April 1, 2015: JPY 50,000) each fully paid-up	185.82	185.82	185.82
	Less : Provision for impairment in the value of investments	(185.82)	(185.82)	(185.82)

	March 31, 2017	March 31, 2016	April 1, 2015
Zensar Technologies (Shanghai) Company Limited			
Shares of an aggregate cost of US$ 10,00,000 (March 31, 2016: US$ 10,00,000, April 1, 2015: US$10,00,000)	498.08	498.08	498.08
Less : Provision for impairment in the value of investments	(498.08)	(498.08)	(250.00)
Zensar (Africa) Holdings Pty Limited			
100 (March 31, 2016: 100, April 1, 2015: 100) Shares of an aggregate cost of ZAR 10,00,000 (March 31, 2016: ZAR 10,00,000, April 1, 2015: ZAR 10,00,000) of the common stock of no par value	60.50	60.50	60.50
Total	**467.33**	**467.33**	**715.41**
(iii) Investment carried at Fair value through Profit and Loss (FVTPL)			
Investment in Mutual Funds - Unquoted			
1,51,415 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Birla Sun Life Cash Manager-Direct Plan-Growth Plan	614.79	-	-
2,59,022 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Birla Sun Life Savings Fund - Growth Direct Plan	829.16	-	-
1,15,580 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Birla Sun Life Treasury Optimizer Plan -Direct Plan-Growth Plan	243.12	-	-
19,52,388 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Franklin India Low Duration Fund Direct -Growth Plan	364.99	-	-
7,22,678 (March 31, 2016: Nil, April 1, 2015 : Nil) units of HDFC High Interest Fund-Direct Plan- Short term Plan Growth	241.18	-	-
21,13,582 (March 31, 2016: Nil, April 1, 2015 : Nil) units of ICICI Prudential Ultra Short term -Direct- Growth Plan	361.68	-	-
4,31,881 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of ICICI Prudential Saving Fund Direct Growth	1,087.41	-	-
11,801 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of Kotak Low duration Fund Direct Growth	239.64	-	-
54,14,976 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Kotak Treasury Advantage Fund-Direct Plan-Growth Plan	1,427.34	-	-
7,43,959 (March 31, 2016: Nil, April 1, 2015 : Nil) units of L&T Short Term Oppurtunities fund- Direct Plan- Growth Plan	118.56	-	-
17,164 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of Invesco Ultra Short term Fund Direct Growth	392.48	-	-
5,93,718 (March 31, 2016: Nil, April 1, 2015 : Nil) units of UTI Short Term Income fund-Institutional Plan- Direct Plan-Growth Plan	120.66	-	-
2,38,729 (March 31, 2016: Nil, April 1, 2015: Nil) units of JM Arbitrage Advantage Fund Annual Bonus option Bonus Units Payout	27.49	-	-
54,528 (March 31, 2016: Nil, April 1, 2015 : Nil) units of UTI Treasury Advantage fund-Institutional Plan- Direct Plan-Growth Plan	1,229.82	-	-
Total	7,298.32	-	-
Total non current investments	**7,765.75**	**467.53**	**715.61**
Aggregate amount of quoted investments & market value thereof	**0.02**	**0.12**	**0.12**
Aggregate amount of unquoted investments	**8,449.63**	**1,151.31**	**1,151.31**
Aggregate amount of impairment in the value of investments	**683.90**	**683.90**	**435.82**

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
6 (b) Current Investments			
(i) Unquoted Investments carried at Fair value through Profit and Loss (FVTPL) **Investment in Mutual Funds - Unquoted**			
66,678 (March 31, 2016: Nil, April 1, 2015: 30,075) units of Axis Liquid Fund-Direct Plan-Growth Plan	1,202.35	-	466.49
33,129 (March 31, 2016: Nil) units of Axis Treasury Advantage Fund- Direct Plan-Growth Plan	611.60	-	-
Nil (March 31, 2016: 1,51,415, April 1, 2015: 1,51,415) units of Birla Sun Life Cash Manager-Direct Plan-Growth Plan	-	564.44	517.86
51,549 (March 31, 2016: Nil) units of Birla Sun Life Floating Rate Fund Short Term- Direct Plan-Growth Plan	111.79	-	-
95,873 (March 31, 2016: 2,59,022, April 1, 2015: 2,59,022) units of Birla Sun Life Savings Fund - Growth Direct Plan	306.90	761.05	698.38
Nil (March 31, 2016: 1,15,580, April 1, 2015: 1,15,580) units of Birla Sun Life Treasury Optimizer Plan -Direct Plan-Growth Plan	-	219.62	201.64
59,56,180 (March 31, 2016 : 27,31,076, April 1, 2015 : Nil) units of DSP BlackRock Ultra Short Term Fund - Growth Direct plan	709.24	300.01	-
9,026 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of DSP BlackRock Liquidity Fund - Growth Direct plan	209.93	-	-
Nil (March 31, 2016: 19,52,388, April 1, 2015: 19,52,388) units of Franklin India Low Duration Fund Direct -Growth Plan	-	330.17	301.71
19,79,125 (March 31, 2016: Nil, April 1, 2015 : Nil) HDFC Arbitrage Fund Wholesale Plan Normal Dividend Direct Plan	212.66	-	-
7,972 (March 31, 2016: Nil, April 1, 2015 : Nil) HDFC Liquid Fund Direct Plan Growth	255.82	-	
Nil (March 31, 2016: 7,22,678, April 1, 2015: 7,22,678) units of HDFC High Interest Fund-Direct Plan- Short term Plan Growth	-	217.66	201.51
Nil (March 31, 2016: 21,13,582, April 1, 2015: 21,13,582) units of ICICI Prudential Ultra Short term -Direct- Growth Plan	-	329.85	302.56
14,72,774 (March 31, 2016: Nil, April 1, 2015 : Nil) units of ICICI Prudential Equity Arbitrage Fund Direct Dividend - Direct Plan	214.83	-	-
5,11,123 (March 31, 2016: Nil, April 1, 2015: 33,987) units of ICICI Prudential Money Market Fund- Direct Plan-Growth Plan	1,150.15	-	65.76
1,19,192 (March 31, 2016 : 4,31,881, April 1, 2015 : Nil) units of ICICI Prudential Saving Fund Direct Growth	300.11	990.11	-
16,93,302 (March 31, 2016: Nil, April 1, 2015 : Nil) units of IDFC Arbitrage Fund Dividend Payout Direct Plan	220.35	-	-
41,236 (March 31, 2016: Nil, April 1, 2015 : Nil) units of IDFC Cash Fund - Direct Plan Growth	814.72	-	-
Nil (March 31, 2016: 2,38,729, April 1, 2015: Nil) units of JM Arbitrage Advantage Fund Annual Bonus option Bonus Units Payout	-	25.69	-
29,19,605 (March 31, 2016: Nil, April 1, 2015 : Nil) units of JM Arbitrage Advantage Fund Monthly Dividend - Direct Plan	351.93	-	-
10,66,583 (March 31, 2016: Nil, April 1, 2015 : Nil) units of JM High Liquidity Fund - Direct Plan Growth	474.78	-	-
2,94,844 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Kotak Equity Arbitrage Fund Fortnightly Dividend - Direct Plan	70.07	-	-
62,017 (March 31, 2016: 20,128, April 1, 2015: 15,352) units of Kotak Floater Short Term-Direct Plan-Growth Plan	1,655.46	500.00	352.39
11,801 (March 31, 2016 : 11,801, April 1, 2015 : Nil) units of Kotak Low duration Fund Direct Growth	-	218.54	-
54,14,976 (March 31, 2016: 55,77,472, April 1, 2015: 4,51,046) units of Kotak Treasury Advantage Fund-Direct Plan-Growth Plan	-	1,358.49	100.96
7,43,959 (March 31, 2016: 7,43,959, April 1, 2015: 7,43,959) units of L&T Short Term Oppurtunities fund- Direct Plan- Growth Plan	-	108.90	100.50
48,836 (March 31, 2016: Nil, April 1, 2015: 39,271) units of L&T Liquid fund-Direct Plan-Growth Plan	1,089.07	-	753.47

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted Investments carried at Fair value through Profit and Loss (FVTPL) Investment in Mutual Funds			
98,81,779 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Reliance Banking & PSU Debt Fund - Direct Plan Growth	1,169.20	-	-
25,213 (March 31, 2016: Nil, April 1, 2015: 20,955) units of Reliance Liquid Fund -Treasury Plan- Direct Plan-Growth Plan	1,000.30	-	714.84
29,420 (March 31, 2016 : 17,164, April 1, 2015 : Nil) units of Invesco Ultra Short term Fund Direct Growth	672.70	361.78	-
2,236 (March 31, 2016 : 23,997, April 1, 2015 : Nil) units of Invesco Liquid Fund Direct Plan - Growth	50.05	500.37	-
7,16,882 (March 31, 2016: Nil, April 1, 2015 : Nil) units of SBI Arbitrage Opportunities Fund - Direct Plan Dividend Payout	101.52	-	-
14,854 (March 31, 2016: Nil, April 1, 2015 : Nil) units of SBI Premier Liquid Fund - Direct Plan Growth	379.12	-	-
47,123 (March 31, 2016: 38,690, April 1, 2015: 16,844) units of Tata Floater fund-Direct Plan-Growth Plan	1,169.37	885.52	354.77
2,459 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Tata Money Market Fund - Direct Plan Growth	63.03	-	-
2,819 (March 31, 2016: Nil, April 1, 2015 : Nil) units of UTI Liquid Cash Plan - Direct Plan Growth	100.08	-	-
Nil (March 31, 2016: 5,93,718, April 1, 2015: 5,93,718) units of UTI Short Term Income fund-Institutional Plan- Direct Plan-Growth Plan	-	109.42	100.78
Nil (March 31, 2016: 54,528, April 1, 2015: 28,897) units of UTI Treasury Advantage fund-Institutional Plan- Direct Plan-Growth Plan	-	1,130.92	550.05
Nil (March 31, 2016: Nil, April 1, 2015: 2,28,340) units of ICICI Prudential Flexible Income - Direct Plan Growth	-	-	601.77
Nil (March 31, 2016: 37,37,312, April 1, 2015 : Nil) units of Franklin India Ultra short bond fund super institutional plan Growth Direct	-	761.32	-
Nil (March 31, 2016: Nil, April 1, 2015: 4,54,498) units of IDFC Money Manager Fund- Treasury Plan- Growth Direct Plan	-	-	100.84
Nil (March 31, 2016: Nil, April 1, 2015: 5,13,576) units of IDFC Ultra Short Term Fund -Growth- Direct Plan	-	-	100.61
Nil (March 31, 2016 : 19,932, April 1, 2015 : Nil) units of SBI Magnum Insta Cash Fund Direct Plan Growth	-	500.51	-
Nil (March 31, 2016: 23,813, April 1, 2015: 9,379) units of Reliance Money Manager Fund-Direct-Growth Plan growth option	-	500.00	181.07
Nil (March 31, 2016: Nil, April 1, 2015: 4,213) units of SBI Magnum Insta Cash Fund Liquid Floater-Direct Plan -Growth	-	-	100.84
Nil (March 31, 2016: Nil, April 1, 2015:19,610) units of Axis Banking Debt Fund-Direct -Growth	-	-	251.76
Nil (March 31, 2016: Nil, April 1, 2015: 1,89,978) units of Birla Sun Life Cash Plus Fund - Direct Plan- Growth Plan	-	-	426.68
Nil (March 31, 2016: Nil, April 1, 2015: 18,269) units of LIC Nomura MF Liquid Fund -Direct Plan-Growth Plan	-	-	463.28
Nil (March 31, 2016: Nil, April 1, 2015: 61,88,018) units of Kotak Floater Long Term-Direct Plan-Daily Dividend-Reinvestment	-	-	623.74
Nil (March 31, 2016: Nil, April 1, 2015: 12,11,980) units of Sundaram Money Fund Direct Plan-Growth Plan	-	-	357.74
Nil (March 31, 2016: 3,45,392, April 1, 2015: 3,45,392) units of Reliance Medium Term Fund Direct Plan- Growth Plan	-	109.61	100.58
Nil (March 31, 2016: Nil, April 1, 2015: 9,08,917) units of UTI Banking & PSU Debt Fund-Direct Plan-Growth Plan	-	-	100.86
Nil (March 31, 2016: Nil, April 1, 2015: 12,992) units of SBI Treasury Advantage Fund Direct Plan-Growth Plan	-	-	202.76
Nil (March 31, 2016: Nil, April 1, 2015: 8,903) units of L&T Cash Fund-Direct Plan-Growth Plan	-	-	100.89
Total	**14,667.13**	**10,783.98**	**9,497.09**
Total Current Investments	**14,667.13**	**10,783.98**	**9,497.09**
Aggregate amount of quoted investments & market value thereof	-	-	-
Aggregate amount of unquoted investments	14,667.13	10,783.98	9,497.09
Aggregate amount of impairment in the value of investments	-	-	-

6 (c) Trade receivables

(Unsecured, considered good unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Considered good	59,631.25	52,522.29	45,117.91
Considered doubtful	2,574.46	2,482.40	1,501.32
	62,205.71	**55,004.69**	**46,619.23**
Less: Allowance for doubtful debts	2,574.46	2,482.40	1,501.32
Total receivables	**59,631.25**	**52,522.29**	**45,117.91**
Current portion	59,631.25	52,522.29	45,117.91
Non- current portion	-	-	-

(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.26.26 lakhs (March 31, 2016 - Rs.25.75 lakhs) (refer note 28)

(d) Loans : Non current

(Unsecured and considered doubtful)

	March 31, 2017	March 31, 2016	April 1, 2015
Loans to related parties [refer note 28]	1,391.02	1,417.28	1,310.30
Less: Allowance for doubtful loans	(1,391.02)	(1,417.28)	(1,310.30)
Total	**-**	**-**	**-**

(e) Other financial assets : Non current

(Unsecured and considered good unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Security deposits	1,123.55	1,007.24	865.69
Total	**1,123.55**	**1,007.24**	**865.69**

(f) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Foreign exchange forward contracts	1,543.73	833.32	367.81
Security deposits	275.78	138.76	157.46
Interest accrued on deposits	8.44	8.44	8.42
Others #	3,630.10	2,404.57	1,195.80
Total	**5,458.05**	**3,385.09**	**1,729.49**

Others include dues receivable from subsidiary companies for reimbursement of expenses. (refer note 28)

6 (g) Cash and cash equivalents

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks :			
- In current accounts	5,351.61	7,953.88	4,746.69
- Deposits with maturity of less than three months	514.61	441.94	284.19
Cash on hand	8.48	4.59	3.84
Total	**5,874.70**	**8,400.41**	**5,034.72**

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

7 Deferred Tax Asset (net)

The components of deferred tax assets and liabilities are as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
The major components of the deferred tax asset are			
Property, plant and equipment	442.06	387.10	172.99
Allowance for doubtful debts - trade receivables	849.83	872.88	510.30
Provision for expenses allowable on payment basis	1,009.35	819.88	616.07
Tax Losses	121.07	-	-
Others	38.42	35.21	84.16
	2,460.73	**2,115.07**	**1,383.52**
The major components of the deferred tax liability are			
Gain on financial assets mandatorily measured at FVTPL - mutual fund units	290.13	216.64	62.77
Fair value changes on cash flow hedges	534.28	288.42	125.02
Amortizable goodwill	142.32	142.32	53.98
	966.73	**647.38**	**241.77**
Net deferred tax asset / (liability)	**1,494.00**	**1,467.69**	**1,141.75**

Deferred income tax liabilities have not been recognised on temporary differences associated with investments in subsidiaries as it is probable that the temporary differences will not reverse in the forseeable future.

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.

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

(i) Movement in deferred tax assets

	Property, plant and equipment	Allowance for doubtful debts - trade receivables	Provision for expenses allowable on payment basis	Tax Losses	Others	Total
As at April 1, 2015	172.99	510.30	616.07	-	84.16	1,383.52
(Charged)/credited:						
- to statement of profit and loss	214.11	362.58	203.81	-	(48.95)	731.55
- to other comprehensive income	-	-			-	-
As at March 31, 2016	**387.10**	**872.88**	**819.88**	**-**	**35.21**	**2,115.07**
(Charged)/credited:						
- to statement of profit and loss	54.96	(23.05)	189.47	121.07	3.21	345.66
- to other comprehensive income	-	-	-	-	-	-
As at March 31, 2017	**442.06**	**849.83**	**1,009.35**	**121.07**	**38.42**	**2,460.73**

(ii) Movement in deferred tax liabilities

	Gain on financial assets mandatorily measured at FVTPL - mutual fund units	Fair value changes on cash flow hedges	Amortizable goodwill	Total
As at April 1, 2015	62.77	125.02	53.98	**241.77**
Charged/(credited):				
- to statement of profit and loss	153.87	-	88.34	**242.21**
- to other comprehensive income	-	163.40		**163.40**
As at March 31, 2016	**216.64**	**288.42**	**142.32**	**647.38**
Charged/(credited):				
- to statement of profit and loss	73.49	-	-	**73.49**
- to other comprehensive income	-	245.86	-	**245.86**
As at March 31, 2017	**290.13**	**534.28**	**142.32**	**966.73**

8 Other non current assets

	March 31, 2017	March 31, 2016	April 1, 2015
Prepaid expenses	279.06	334.28	285.90
Balances with Government Authorities	-	-	263.89
Total	**279.06**	**334.28**	**549.79**

9 Other Current assets

	March 31, 2017	March 31, 2016	April 1, 2015
Advances other than capital advances:			
- advances to employees	523.88	633.99	271.46
- advances to suppliers	356.57	756.89	793.33
Others:			
- Prepaid expenses	1,940.35	1,284.79	977.35
- Lease prepayments	271.38	423.85	566.36
- Statutory receivables	1,339.90	1,152.38	1,089.94
- Others #	74.07	43.47	47.01
Total	**4,506.15**	**4,295.37**	**3,745.45**

Others include Sundry deposits

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

10 (a) Equity share capital

	March 31, 2017	March 31, 2016	April 1, 2015
Authorised:			
4,75,00,000 equity shares of Rs. 10 each	4,750.00	4,750.00	4,750.00
(4,75,00,000 and 4,75,00,000 shares of Rs. 10 each at March 31, 2016 and April 1, 2015 respectively)			
2,50,000 preference shares of Rs. 100 each	250.00	250.00	250.00
(2,50,000 and 2,50,000 shares of Rs. 100 each at March 31, 2016 and April 1, 2015 respectively)			
Total	**5,000.00**	**5,000.00**	**5,000.00**
Issued, subscribed and Paid up :			
4,48,73,638 equity shares of Rs. 10 each	4,487.36	4,463.14	4,432.68
(4,46,31,428 and 4,43,26,774 shares of Rs. 10 each at March 31, 2016 and April 1, 2015 respectively)			
Total	**4,487.36**	**4,463.14**	**4,432.68**

(i) Reconciliation of the shares outstanding as at the beginning and at the end of the year:

Particulars	March 31, 2017		March 31, 2016	
	Nos	Rs. In lakhs	Nos	Rs. In lakhs
At the beginning of the year	446,31,428	4,463.14	443,26,774	4,432.68
Add: Shares issued on exercise of employee stock options	2,42,210	24.22	3,04,654	30.46
Outstanding at the end of the year	**448,73,638**	**4,487.36**	**446,31,428**	**4,463.14**

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 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 board of directors in their meeting on January 24, 2017 declared an interim dividend of Rs. 5.00 per equity share. The total dividend appropriation for the year ended March 31, 2017 amounted to Rs. 2,610.27 lakhs including corporate dividend tax of Rs. 368.73 lakhs.

(iii) Details of shareholders holding more than 5% of the aggregate shares in the company

Name of shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	%	Number of shares	%	Number of shares	%	Number of shares
Electra Partners Mauritius Limited*	-	-	-	-	23.24%	103,01,294
Marina Holdco (FPI) Ltd.*	22.96%	103,01,294	23.08%	103,01,294	-	-
Summit Securities Limited	10.96%	49,17,698	11.01%	49,13,576	10.75%	47,63,576
Fidelity Management and Research Company	-	-	7.84%	35,00,000	7.90%	35,00,000
Swallow Associates LLP	26.99%	121,10,188	27.07%	120,82,997	27.26%	120,82,997
Amansa Holdings Private Limited	6.47%	29,01,855	-	-	-	-
Instant Holdings Limited	7.56%	33,93,440	7.35%	32,78,919	7.24%	32,06,819

*On October 9, 2015, Marina Holdco (FPI) Ltd acquired 1,03,01,294 equity shares of the Company from Electra Partners Mauritius Limited.

(iv) Aggregate number of bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding March 31, 2017 - Nil

(v) For details of shares reserved for Issue under the Employee Stock Option Plans (ESOP) of the Company, refer note 31.

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

10 (b) Reserves and surplus:

	March 31, 2017	March 31, 2016	April 1, 2015
Capital redemption reserve	442.40	442.40	442.40
Share based payment reserve	1,833.62	868.29	472.72
Retained earnings	18,402.95	13,646.89	13,662.52
Securities premium reserve	2,036.65	1,565.16	1,151.75
General reserve	84,630.61	74,617.87	60,608.23
Special economic zone re-investment reserve	180.00	-	-
Total reserves and surplus	**1,07,526.23**	**91,140.61**	**76,337.62**

10 (c) Movement in Reserves and Surplus

	March 31, 2017	March 31, 2016
Capital redemption reserve		
Balance at the beginning and end of the year	442.40	442.40
Share based payment reserve		
Opening balance	868.29	472.72
Add: Compensation cost related to employee share-based payment	199.33	189.82
Add: Compensation cost related to employee share-based payment to employees of subsidiary companies	814.28	222.35
Less: Transfer to general reserve upon cancellation/lapse	12.74	9.64
Less: Transfer to securities premium on exercise of stock options during the year	35.54	6.96
Balance as at the end of the year	**1,833.62**	**868.29**
Retained earnings		
Balance as at the beginning of the year	13,646.89	13,662.52
Add: Profit for the year	18,021.78	23,822.47
Add / (less) items of other comprehensive income recognised directly in retained earnings:		
- remeasurements of post employment benefit obligation, net of tax	(475.45)	(145.62)
Less: Dividends, including taxes thereon	2,610.27	9,692.48
Less: Transfer to general reserve	10,000.00	14,000.00
Less: Transfer to Special Economic Zone Re-investment Reserve	180.00	-
Balance as at the end of the year	**18,402.95**	**13,646.89**
Securities premium account		
Balance as at the beginning of the year	1,565.16	1,151.75
Add: Received during the year on exercise of stock options issued to employees (including from share based payment reserve)	471.49	413.41
Balance as at the end of the year	**2,036.65**	**1,565.16**
General reserve		
Balance as at the beginning of the year	74,617.87	60,608.23
Add: Transfer from share based payment reserve upon cancellation/lapse	12.74	9.64
Add : Transferred from Retained earnings	10,000.00	14,000.00
Balance as at the end of the year	**84,630.61**	**74,617.87**

	March 31, 2017	March 31, 2016
Special economic zone re-investment reserve		
Balance as at the beginning of the year	-	-
Add: Transfer from retained earnings	180.00	-
Less: Transfer to retained earnings on utilization	-	-
Balance as at the end of the year	**180.00**	**-**

10 (d) Other components of equity:

	Notes	Cash flow hedging reserve	Foreign currency translation reserve	Total
As at April 1, 2015		242.79	-	242.79
Fair value changes on cash flow hedges		465.50	-	465.50
Currency translation adjustments		-	(794.78)	(794.78)
Tax impact	7 , 24	(163.40)	275.08	111.68
As at March 31, 2016		**544.89**	**(519.70)**	**25.19**
Fair value changes on cash flow hedges		710.42	-	710.42
Currency translation adjustments		-	479.69	479.69
Tax impact	7 , 24	(245.86)	(166.01)	(411.87)
As at March 31, 2017		**1,009.45**	**(206.02)**	**803.43**

10 (e) Nature and purpose of each reserve within equity:

(i) Capital redemption reserve:

The reserve has been created out of general reserve, being the nominal value of shares bought back. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share based payment reserve:

The share options outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to share capital and share premium upon exercise of stock options by employees.

(iii) Retained earnings:

Retained earnings comprises of the Company's undistributed earnings after taxes.

(iv) Securities premium reserve:

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(v) 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 and loss when the hedged item affects profit and loss.

(vi) 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 and loss when the net investment is disposed of.

(vii) Special economic zone re-investment reserve:

The Special Economic Zone Re-investment Reserve has been created out of profit of eligible SEZ units in terms of 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.

11 (a) Borrowings

	Maturity date	Terms of repayment	Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
Non-current borrowings						
Long term maturities of finance lease obligations	Dec' 17 to Apr' 19	Monthly installments	3-5%	76.87	197.78	340.58
- Obligations under finance leases (Secured)						
Total non current borrowings				**76.87**	**197.78**	**340.58**
Less: Current maturities of finance lease obligations (included in note 11(b))				51.50	120.34	191.09
Non-current borrowings (as per balance sheet)				**25.37**	**77.44**	**149.49**
Current borrowings - From banks (Secured)	Due on 26-Apr-17 and 28-Jun-17	Payable within six months from date of borrowing	LIBOR + 30 basis points	1,459.26	1,325.90	-
Total current borrowings				**1,459.26**	**1,325.90**	**-**
Less: Interest accrued (included in note 11(b))				0.13	0.86	-
Current borrowings (as per balance sheet)				**1,459.13**	**1,325.04**	**-**

Non Current borrowings

Nature of security : Hypothecation of assets underlying the leases.

Current borrowings

Nature of security : Against hypothecation of assets at Kharadi campus

11 (b) Other financial liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Current maturities of finance lease obligations	51.50	120.34	191.09
Interest accrued	0.13	0.86	-
Unpaid dividends	196.31	208.37	124.76
Capital creditors	207.02	326.90	138.11
Employee dues	3,862.99	4,052.01	2,967.64
Directors' commission	259.19	328.67	256.71
Others #	235.28	165.81	136.30
Payable to related parties [refer note 28]	431.73	893.72	435.35
Book overdrafts	177.86	-	-
Total other current financial liabilities	**5,422.01**	**6,096.68**	**4,249.96**

Other Payables includes amount received from customers in Middle East Bank account against offshore invoices.

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

12 Trade payables

	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade payables	5,279.00	3,327.82	2,072.47
Total	**5,279.00**	**3,327.82**	**2,072.47**
i. total outstanding dues of micro enterprises and small enterprises *	-	-	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	5,279.00	3,327.82	2,072.47

* The Company has compiled this information based on the current information in its possession. As at 31st March 2017, no supplier has intimated the Company 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.

13 Non-current provisions

	March 31, 2017	March 31, 2016	April 1, 2015
Other provisions			
- for disputed statutory matters	27.25	27.25	27.25
- for other matters	70.02	63.92	63.50
Total	**97.27**	**91.17**	**90.75**

14 Current provisions

	March 31, 2017	March 31, 2016	April 1, 2015
Other provisions			
- for disputed statutory matters	-	220.00	-
Total	**-**	**220.00**	**-**

(i) Information about individual provisions

Disputed statutory matters:

(a) Provision for disputed statutory liabilities comprises matters under litigation with Sales-Tax and Customs & Service Tax authorities.

(b) The amount of provisions made by the Company is based on the estimates made by the Management considering the facts and circumstances of each case. To the extent the Company is confident that it has a strong case, that portion is disclosed under contingent liabilities.

(c) The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

For other matters:

It mainly include provisions for rent related litigations with previous landlords. The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

(ii) Movements in provisions

Movements in each class of provisions during the financial year, are set out below

	Disputed statutory matters	Contingencies	Total provisions
As at April 1, 2016	**247.25**	**63.92**	**311.17**
Additional provisions recognised	7.47	11.67	**19.14**
Unused amounts reversed	-	(5.57)	**(5.57)**
Amounts used during the year	(227.47)	-	**(227.47)**
As as March 31, 2017	**27.25**	**70.02**	**97.27**

Note: The impact of discounting is considered to be not material.

15 Employee benefit obligations

	March 31, 2017	March 31, 2016	April 1, 2015
Non current			
Provision for compensated absences	1,528.06	1,263.75	1,175.88
Total	**1,528.06**	**1,263.75**	**1,175.88**
Current			
Provision for compensated absences	1,193.38	904.39	786.90
Provision for gratuity (i)	1,308.94	554.82	1,394.45
Total	**2,502.32**	**1,459.21**	**2,181.35**

(i) Defined benefit plans:

a **Gratuity -** The company provides for gratuity for employees in accordance with the gratuity scheme of the Company. All employees in continuous service for a period of 5 years are eligible for gratuity. 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 basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity fund is managed by the Life Insurance Corporation of India (LIC).

aa 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
April 1, 2015	**4,636.76**	**(3,242.31)**	**1,394.45**
Current service cost	1,012.41	-	1,012.41
Past service cost	-	-	-
Interest expense / (income)	367.23	(256.79)	110.44
Total amount recognised in profit or loss	**1,379.64**	**(256.79)**	**1,122.85**
Remeasurements			
Return on plan assets	-	(114.79)	(114.79)
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	49.40	-	49.40
Experience (gains) / losses	288.08		288.08
Total amount recognised in OCI	**337.48**	**(114.79)**	**222.69**
Contributions - employer	-	(1,814.38)	(1,814.38)
Benefit payments	(370.79)		(370.79)
March 31, 2016	**5,983.09**	**(5,428.27)**	**554.82**
Current service cost	1,165.15		1,165.15
Past service cost	-	-	-
Interest expense / (income)	470.27	(426.66)	43.61
Total amount recognised in profit or loss	**1,635.42**	**(426.66)**	**1,208.76**
Remeasurements			**-**
Return on plan assets	-	4.27	4.27
(Gain) / loss from change in financial assumptions	606.94	-	606.94
Experience (gains) / losses	115.87	-	115.87
Total amount recognised in OCI	**722.81**	**4.27**	**727.08**
Contributions - employer	-	(554.82)	(554.82)
Contributions - employee /participant	-	-	-
Benefit payments	(626.90)	-	(626.90)
March 31, 2017	**7,714.42**	**(6,405.48)**	**1,308.94**

The net liability disclosed above relates to funded plans. The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional on off contribution. The Company intends to contribute in line with the recommendations of the fund administrator and the actuary.

ab The net liability disclosed above relates to funded and unfunded plans are as follows:

Plan type	March 31, 2017	March 31, 2016	April 1, 2015
Present value of obligation	7,714.42	5,983.09	4,636.76
Fair value of plan assets	(6,405.48)	(5,428.27)	(3,242.31)
Total liability	**1,308.94**	**554.82**	**1,394.45**

ac As at April 1, 2015, March 31, 2016 and March 31, 2017, plan assets were fully invested in insurer managed funds.

ad 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.

ae The Company expects to contribute Rs. 1,936.42 lakhs to the defined benefit plan during the next annual reporting period.

af	Estimated benefit payments from the fund for year ending	Amount
	March 31, 2018	151.31
	March 31, 2019	148.27
	March 31, 2020	154.66
	March 31, 2021	232.81
	March 31, 2022	352.35
	Thereafter	3,297.34
	Total	**4,336.74**

The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as of March 31, 2017.

b Provident fund : The company makes contribution towards provident fund which is administered by the trustees. The contributions to the trust managed by the Company 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 as provided under Para 60 of the Employees Provident Fund Scheme, 1972. Company has obtained an actuarial valuation of the liability according to which there is no deficiency as at the Balance Sheet. The liability therefore is restricted to monthly contributions. The details of fund and plan assets are given below:

ba Present Value of Defined Benefit Obligation

	March 31, 2017	March 31, 2016	April 1, 2015
Balance as at the beginning of the year	**20,930.89**	**17,100.00**	**14,134.00**
Interest cost	1,694.00	1,444.78	1,141.00
Current service cost	1,338.53	1,116.47	1,828.00
Employee contribution	2,452.55	2,152.70	1,043.00
Liability transferred in	1,608.67	1,093.57	479.00
Liability transferred out	-	-	-
Benefit paid	(3,158.17)	(1,976.63)	(1,525.00)
Actuarial (gains)/losses	-	-	-
Balance as at the end of the year	**24,866.47**	**20,930.89**	**17,100.00**

bb Fair value of Plan Assets (Restricted to the extent of Present Value of Obligation)

	March 31, 2017	March 31, 2016	April 1, 2015
Balance as at the beginning of the year	**21,224.88**	**17,276.00**	**14,134.00**
Expected return on plan assets	1,694.00	1,444.78	1,141.00
Contributions by the company	3,791.08	3,269.17	2,872.00
Transfer from other company	1,608.67	1,093.57	479.00
Transfer to other company	-	-	-
Benefit paid	(3,158.17)	(1,976.63)	(1,525.00)
Actuarial gains/(losses)	108.09	117.99	175.00
Balance as at the end of the year	**25,268.55**	**21,224.88**	**17,276.00**

bc

	March 31, 2017	March 31, 2016	April 1, 2015
Assets and liabilities recognised in the balance sheet	-	-	-

bd Expenses recognised in the statement of profit and loss

	March 31, 2017	March 31, 2016	April 1, 2015
Current service cost	1,338.53	1,116.47	1,828.00
Interest cost	1,694.00	1,444.78	1,141.00
Expected return on plan assets	(1,694.00)	(1,444.78)	(1,141.00)
Surplus utilised	-	-	-
Interest shortfall	-	-	-
Total expenses recognised in the statement of profit and loss	1,338.53	1,116.47	1,828.00

be As at March 31, 2017, March 31,2016 and April 1, 2015, the plan assets have been primarily invested in securities of Central Government of India, State Government and Bonds.

bf The principal assumptions used for the purpose of actuarial valuation are as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
India			
Discount Rate *	7.27%	7.86%	7.92%
Expected Rate of Return on Plan Assets **	7.27%	7.86%	7.92%
Salary Escalation Rate ***	7.00%	7.00%	7.00%
Rate of Employee Turnover			
-For services 4 years and below	25.00%	25.00%	25.00%
-For services 5 years and above	1.00%	1.00%	1.00%

* 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 overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during 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.

bg Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:

Particulars	March 31, 2017	March 31, 2016
- 1% increase in discount rate	-12.87%	-12.66%
- 1% decrease in discount rate	15.42%	15.18%
- 1% increase in salary escalation rate	15.30%	15.16%
- 1% decrease in salary escalation rate	-13.01%	-12.87%
- 1% increase in rate of employee turnover	0.28%	1.08%
- 1% decrease in rate of employee turnover	-0.42%	-1.34%

The above sensitivity analyses 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	March 31, 2017	March 31, 2016
Contribution to Employees' Family Pension Fund	742.27	791.19
Contribution to Employees' Superannuation Fund	81.06	41.83

16 Other Current liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Others			
- Employee contributions toward provident and pension fund	478.71	401.81	258.45
- Statutory taxes	582.87	684.32	383.38
Total	**1,061.58**	**1,086.13**	**641.83**

17 (a) Income taxes

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets (net)	2,170.25	1,404.09	2,028.96
Income tax liabilities (net)	156.94	545.44	128.25
Net current income tax assets / (liability)	**2,013.31**	**858.65**	**1,900.71**

17 (b) Movement

The gross movement in the current income tax asset / (liability) for the years ended March 31, 2017 and March 31, 2016 is as follows:

Particulars	March 31, 2017	March 31, 2016
Net current income tax asset / (liability) at the beginning	858.65	1,900.71
Income tax paid	8,617.72	7,699.86
Current income tax expense (refer note 24 (i))	(7,640.07)	(9,873.22)
Adjustment for current tax of prior periods (refer note 24 (i))	91.39	779.15
Income tax on other comprehensive income (refer note 24 (iii))	85.62	352.15
Net current income tax asset / (liability) at the end	**2,013.31**	**858.65**

18 Revenue from operations

	March 31, 2017	March 31, 2016
Software development and allied services	1,22,441.43	1,16,965.59
Sale of support and licenses for software applications	4,797.93	6,346.74
Sub-total net sales/income from operations	**1,27,239.36**	**1,23,312.33**
Other operating revenues		
- Finders' fees	863.26	837.62
- Provisions no longer required and credit balances written back (net)	36.51	173.60
- Miscellaneous Income	143.23	204.13
Sub-total other operating revenues	**1,043.00**	**1,215.35**
Total revenue from operations	**1,28,282.36**	**1,24,527.68**

19 Other income (net)

	March 31, 2017	March 31, 2016
Interest Income from financial assets - Carried at amortised cost		
- On deposits with banks	82.24	126.38
- On loans to subsidiaries	-	3.94
Interest income on income tax refund	-	138.27
Other interest income	0.42	76.56
Dividend Income on investments carried at cost		
- From subsidiaries	430.27	1,083.29
Dividend income on investments at FVTPL - Mutual fund units	37.86	104.84
Net gain on financial assets mandatorily measured at FVTPL - mutual fund units	915.78	444.12
Net foreign exchange gain / (loss)	(1,008.40)	2,703.70
Interest income on security deposits	132.64	119.77
Other non-operating income		
- Guarantee commission	68.37	89.87
- Profit on sale of investments measured at FVTPL - mutual fund units	480.85	306.93
- Profit on sale of fixed assets (net)	27.67	8.53
- Others	-	67.96
Total	**1,167.70**	**5,274.16**

20 Employee benefit expense

	March 31, 2017	March 31, 2016
Salaries, wages and bonus	66,222.08	60,409.07
Contribution to provident and other funds	2,275.18	1,998.57
Employee share-based payment expense	199.33	189.82
Staff welfare expenses	1,591.43	1,553.23
Total	**70,288.02**	**64,150.69**

21 Depreciation and amortisation expense

	March 31, 2017	March 31, 2016
Depreciation - Property, plant and equipment	1,910.14	1,870.54
Amortization of intangible assets	1,480.71	1,601.08
Total	**3,390.85**	**3,471.62**

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

22 Other expenses

	March 31, 2017	March 31, 2016
Travelling and conveyance	4,508.31	5,342.97
Recruitment expenses	418.23	379.39
Training expenses	451.13	350.19
Electricity and power	1,198.97	1,141.95
Rent	3,667.41	3,312.96
Repairs and maintenance to :		
-Plant and machinery	322.66	318.34
-Building	1,075.08	942.60
-Others	140.43	119.51
Insurance	1,041.76	1,086.86
Rates and taxes	843.02	422.53
Consumable media	755.23	672.78
Legal and professional charges	1,999.09	1,631.29
Postage, telephone and e-mail	1,111.29	1,006.60
Printing and stationery	97.36	92.39
Carriage, freight and octroi	3.71	19.73
Vehicle running expenses	200.26	211.37
Advertisement and publicity	579.42	795.85
Bad debts written off	115.87	123.08
Directors' fees	62.35	43.90
Directors' commission	259.19	328.67
Allowance for doubtful debts	142.56	1,020.87
Provision for impairment in the value of investments	-	248.08
Expenditure towards Corporate social responsibility (CSR) (See Note 22 (a))	558.79	461.82
Payments to auditors (refer note 22(b) below)	108.26	90.31
Miscellaneous expenses	1,290.62	1,289.97
Total	**20,951.00**	**21,454.01**

22(a) Corporate social responsibility expenditure

	March 31, 2017	March 31, 2016
Gross amount required to be spent by the Company during the year	574.00	467.00
Total	**574.00**	**467.00**

Amount spent during the year on	**In cash**	
	March 31, 2017	**March 31, 2016**
a. Construction/ acquisition of any asset	-	-
b. On purposes other than (a) above	558.79	461.82
Total	**558.79**	**461.82**

22(b) Details of payments to auditors

	March 31, 2017	March 31, 2016
As auditors :		
- Audit Fee	64.50	64.50
- Tax audit Fee	7.00	7.00
As advisors, or in any other capacity, in respect of :		
- other services	34.55	16.51
Out of pocket expenses reimbursed	2.21	2.30
Total	**108.26**	**90.31**

23 Finance Costs

	March 31, 2017	March 31, 2016
Interest on loans	23.99	1.94
Interest on others	20.54	52.07
Interest on finance lease	78.48	36.76
Exchange differences regarded as an adjustment to borrowing costs	39.55	31.26
Bank charges	44.36	101.79
Total	**206.92**	**223.82**

24 Income 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)

	March 31, 2017	March 31, 2016
Income tax expense		
Current Tax		
Current tax on profits for the year	7,640.07	9,873.22
Adjustment for current tax of prior periods	(91.39)	(779.15)
Total current tax expense	**7,548.68**	**9,094.07**
Deferred tax		
Decrease / (increase) in deferred tax assets	(345.66)	(731.55)
(Decrease) / increase in deferred tax liabilities	73.49	242.21
Total deferred tax expense / (benefit)	**(272.17)**	**(489.34)**
Income tax expense	**7,276.51**	**8,604.73**

- 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 commencement 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 a further five year subject to certain of a 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	March 31, 2017	March 31, 2016
Profit before taxes	25,298.29	32,427.20
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expenses	**8,755.74**	**11,223.05**
Effect of income exempt from tax	(1,346.18)	(1,908.74)
Effect of non deductible expenses	379.66	263.86
Changes in unrecognized deferred tax assets (net)	(121.07)	-
Income taxed at higher/(lower) rates	(300.25)	(194.29)
Income tax relating to prior years	(91.39)	(779.15)
	7,276.51	**8,604.73**

(iii) Amounts recognised in OCI

Particulars	March 31, 2017		March 31, 2016	
	Income tax	Deferred tax	Income tax	Deferred tax
Fair value changes on cash flow hedges	-	(245.86)	-	(163.40)
Remeasurements of post employment benefit obligations	251.63	-	77.07	-
Exchange difference on translation of foreign operations	(166.01)	-	275.08	-
Total	**85.62**	**(245.86)**	**352.15**	**(163.40)**

(iv) Tax losses

Particulars	March 31, 2017	March 31, 2016
Unused tax losses on which no deferred tax asset has been recognised	524.73	-
Potential tax benefit @ 23.072%	121.07	-

Deferred tax asset was not recognised due to absence of reasonable certainty of taxable capital profits to utilize this deferred tax asset. The losses can be carried forward for a period of 8 years as per local tax regulations.

(v) Changes in tax rate - The applicable Indian statutory tax rate for the financial year 2016-17 and financial year 2015-16 is 34.61%

25 Fair value measurements

Financial instruments by category:

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments:									
- equity instruments (*)	-	0.10	-	-	0.20	-	-	0.20	-
- mutual funds	21,965.45	-	-	10,783.98	-	-	9,497.09	-	-
Trade receivables	-	-	59,631.25	-	-	52,522.29	-	-	45,117.91
Cash and cash equivalents	-	-	5,874.70	-	-	8,400.41	-	-	5,034.72
Other bank balances	-	-	196.34	-	-	208.37	-	-	124.75
Derivative financial assets	-	1,543.73	-	-	833.32	-	-	367.81	-
Security deposits	-	-	1,399.33	-	-	1,146.00	-	-	1,023.15
Unbilled revenue	-	-	17,481.06	-	-	16,879.51	-	-	10,994.07
Others	-	-	3,638.54	-	-	2,413.01	-	-	1,204.22
Total financial assets	**21,965.45**	**1,543.83**	**88,221.22**	**10,783.98**	**833.52**	**81,569.59**	**9,497.09**	**368.01**	**63,498.82**
Financial liabilities									
Borrowings	-	-	1,536.00	-	-	1,522.82	-	-	340.58
Trade payables	-	-	5,279.00	-	-	3,327.82	-	-	2,072.47
Capital creditors	-	-	207.02	-	-	326.90	-	-	138.11
Other financial liabilities	-	-	5,163.49	-	-	5,649.44	-	-	3,920.76
Total financial liabilities	**-**	**-**	**12,185.51**	**-**	**-**	**10,826.98**	**-**	**-**	**6,471.92**

*Excludes investments in subsidiaries accounted as per cost model as prescribed under paragraph 10 of Ind AS 27 "Separate Financial Statements".

(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, 2017	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial investments at FVPL					
Equity instruments	6 (a)	0.02	-	0.08	0.10
Mutual funds	6 (a) , 6 (b)	21,965.45	-	-	21,965.45
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	6 (f)	-	1,543.73	-	1,543.73
Total financial assets		**21,965.47**	**1,543.73**	**0.08**	**23,509.28**

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial investments at FVPL					
Equity instruments	6 (a)	0.12	-	0.08	0.20
Mutual funds	6 (a) , 6 (b)	10,783.98	-	-	10,783.98
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	6 (f)	-	833.32	-	833.32
Total financial assets		**10,784.10**	**833.32**	**0.08**	**11,617.50**

Financial assets and liabilities measured at fair value - recurring fair value measurements At April 1, 2015	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial investments at FVPL					
Equity instruments	6 (a)	0.12	-	0.08	0.20
Mutual funds	6 (a) , 6 (b)	9,497.09	-	-	9,497.09
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	6 (f)	-	367.81	-	367.81
Total financial assets		**9,497.21**	**367.81**	**0.08**	**9,865.10**

Level 1: 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) 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) 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, 2017, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

(iii) 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. Unbilled revenue
6. Receivable from subsidiaries for reimbursement of expenses
7. Interest accrued on deposits
8. Borrowings
9. Trade payables
10. Capital creditors
11. Unpaid dividends
12. Employee dues
13. Directors' commission
14. Payable to related parties
15. Book overdrafts
16. 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. 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.

aa The Company's exposure to foreign currency risk as of March 31, 2017 expressed in INR, is as follows:

	March 31, 2017				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	1,478.33	137.04	-	1,546.90	3,162.27
Trade receivables	39,629.84	4,823.11	3,687.08	3,188.43	51,328.46
Unbilled revenue	12,184.81	1,556.36	976.39	73.60	14,791.16
Financial liabilities					
Trade payables	144.24	48.79	-	600.94	793.97
Employee benefit obligations	0.18	-	-	1,038.32	1,038.50
Other liabilities	465.71	5.77	2.02	641.05	1,114.55
Net assets / (liabilities)	**52,682.85**	**6,461.95**	**4,661.45**	**2,528.62**	**66,334.87**

ab The Company's exposure to foreign currency risk as of March 31, 2016 expressed in INR, is as follows:

	March 31, 2016				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	3,726.66	478.58	-	935.19	5,140.43
Trade receivables	40,364.34	1,208.23	1,208.56	3,772.35	46,553.48
Unbilled revenue	12,387.02	1,255.92	328.78	625.93	14,597.65
Financial liabilities					
Trade payables	261.36	10.13	-	530.02	801.51
Employee benefit obligations	0.18	-	-	84.69	84.87
Other liabilities	125.12	4.75	1.87	9.45	141.19
Net assets / (liabilities)	**56,091.36**	**2,927.85**	**1,535.47**	**4,709.31**	**65,263.99**

ac The Company's exposure to foreign currency risk as of April 1, 2015 expressed in INR, is as follows:

	April 1, 2015				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	518.39	-	-	793.44	1,311.83
Trade receivables	30,434.50	917.42	799.51	807.72	32,959.15
Unbilled revenue	7,903.83	887.58	721.66	181.40	9,694.47
Financial liabilities					
Trade payables	120.26	-	-	220.72	340.98
Employee benefit obligations	-	-	-	95.49	95.49
Other liabilities	58.58	0.90	-	78.83	138.31
Net assets / (liabilities)	**38,677.88**	**1,804.10**	**1,521.17**	**1,387.52**	**43,390.67**

ad Sensitivity

"For the year ended March 31, 2017 and March 31, 2016, every percentage point appreciation/depreciation in the exchange rate, it may affect the Company's incremental operating margins respectively.

- INR/USD by approximately 0.48% and 0.47% ,

- INR/ZAR by approximately 0.06% and 0.03%,

- INR/GBP by approximately 0.07% and 0.08%

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.

The following table gives details in respect of outstanding foreign exchange contracts:

	March 31, 2017		March 31, 2016		April 1, 2015	
	FC in lakhs	INR in lakhs	FC in lakhs	INR in lakhs	FC in lakhs	INR in lakhs
Derivatives designated as cash flow hedges						
Forward contracts						
In USD	19.04	1,347.64	10.36	727.04	5.59	367.81
In GBP	0.65	191.94	1.10	118.10	-	-
In ZAR	0.84	4.15	(2.77)	(11.82)	-	-
Total forwards		**1,543.73**		**833.32**		**367.81**

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:

	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one month	341.29	36.89	28.70
Later than one month and not later than three months	439.66	165.38	80.29
Later than three months and not later than one year	762.78	631.05	258.82

During the year ended March 31, 2017, 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.

Cash Flow Hedges - Foreign Exchange Forward Contracts	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	**Assets**					
March 31, 2017	1,543.73	1,543.73	Apr-17 to Mar-18	1 : 1	61.97	710.42	(710.42)
March 31, 2016	833.32	833.32	Apr-16 to Mar-17	1 : 1	64.82	465.50	(465.50)
April 1, 2015	367.81	367.81	Apr-15 to Mar-16	1 : 1	65.81	NA	NA

The following table provides the reconciliation of Cash flow hedging reserve:

	March 31, 2017	March 31, 2016
Balance at the beginning of the year	**544.89**	**242.79**
Gain recognised in OCI during the year	710.42	465.50
Tax impact on above	(245.86)	(163.40)
Balance at the end of the year	**1,009.45**	**544.89**

(ii) Sensitivity - Interest rate risk exposure

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	March 31, 2017	March 31, 2016
Interest rates - increase by 50 basis points (50 bps)	(12.55)	(1.09)
Interest rates - decrease by 50 basis points (50 bps)	12.55	1.12

(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.59,631.25 lakhs and Rs. 52,522.29 lakhs as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to Rs. 17,481.06 lakhs and Rs. 16,879.51 lakhs as of March 31, 2017 and March 31, 2016, 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 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:

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Revenue from top customer	14.95%	14.65%	13.49%
Revenue from top five customers	43.22%	44.05%	42.78%

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2017 and March 31, 2016 was Rs. 2574.46 lakhs and Rs. 2482.40 lakhs, respectively. The increase of allowance for life time expected credit losses on customer balances for the year ended March 31, 2017 was Rs. 142.56 lakhs and Rs. 1020.87 lakhs in March 31, 2016.

	March 31, 2017	March 31, 2016
Balance at the beginning of the year	**2482.40**	**1501.32**
Translation differences	65.38	83.29
Allowance for doubtful debts	142.56	1,020.87
Write offs	(115.88)	(123.08)
Balance at the end	**2,574.46**	**2,482.40**
The Company's credit period generally ranges from 60-90 days		

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	59,631.25	52,522.29	45,117.91
Unbilled revenues	17,481.06	16,879.51	10,994.07
Days sales outstanding - DSO (days)	110	119	85

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, 2017, 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.

	As at March 31, 2017				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	1,484.50	1,459.13	21.36	4.01	1,484.50
Trade payables	5,279.00	5,279.00	-	-	5,279.00
Other liabilities	5,422.01	5,422.01	-	-	5,422.01

	As at March 31, 2016				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	1,402.48	1,325.04	52.07	25.37	1,402.48
Trade payables	3,327.82	3,327.82	-	-	3,327.82
Other liabilities	6,096.68	6,096.68	-	-	6,096.68

	As at April 1, 2015				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	149.49	-	106.35	43.14	149.49
Trade payables	2,072.47	2,072.47	-	-	2,072.47
Other liabilities	4,249.96	4,249.96	-	-	4,249.96

27 Capital management

(a) Risk management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

The Company's objectives when managing capital are to :-

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital.

As Company's cash and bank balances are higher than net debt, hence the ratio is not applicable.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

(b) Dividends

	March 31, 2017	March 31, 2016
Equity shares		
Final dividend for the year ended March 31, 2016 of Rs. Nil (March 31, 2015 Rs. 6.50) per fully paid share	-	3,457.08
Interim dividend for the year ended March 31, 2017 of Rs. 5 (March 31, 2016 Rs. 12) per fully paid share	2,610.27	6,235.16

28. Related party disclosures

A List of related parties

(i) List of subsidiaries

Name	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
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 Limited	United Kingdom	100%	Step-down Subsidiary
Flow Interactive Limited	United Kingdom	100%	Step-down Subsidiary
Knit Limited	United Kingdom	100%	Step-down Subsidiary
Foolproof (SG) Pte Limited	Singapore	100%	Step-down Subsidiary
Zensar (South Africa) Proprietary Limited	South Africa	75%	Step-down Subsidiary

(ii) Key Management Personnel

Name	Designation
H.V Goenka	Chairman
Sandeep Kishore	Chief Executive Officer and Managing Director
A.T. Vaswani	Non-Executive Director
P.K. Mohapatra (for part of the year)	Non-Executive Director
Arvind Agrawal	Non-Executive Director
Venkatesh Kasturirangan	Non-Executive Director
Madhabi Puri Buch	Non-Executive Director
Sudip Nandy	Non-Executive Director
Shashank Singh	Non-Executive Director
S. Balasubramaniam (for part of the year)	Chief Financial Officer
Manoj Jaiswal (for part of the year)	Chief Financial Officer

(iii) Entities where Key management personnel either have significant influence or are members of key management personnel of that entity:

Name	Nature
RPG Enterprises	Entities where key management personnel have significant influence
Harrisons Malayalam Limited	
KEC International Limited	
Raychem RPG Limited	
RPG Life Sciences Limited	
CEAT limited	

(iv) Entities controlled or jointly controlled by the key management personnel of the company:
None

(v) Post employement benefit plans:
Zensar PF Trust
Zensar Gratuity trust
Zensar Superannuation Trust

(vi) Entities having Significant influence over the company:
Swallow Associates LLP
Marina Holdco (PPI) Ltd

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

B Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on					
		March 31, 2017	March 31, 2016	March 31, 2017		March 31, 2016		April 1, 2015	
				Receivable	Payable	Receivable	Payable	Receivable	Payable
A.	**Rendering of Software Services**								
1	Wholly owned subsidiaries:								
(i)	Zensar Technologies, Inc., USA	51,374.19	54,004.63	37,964.76	-	37,430.35	-	35,677.81	-
(ii)	Zensar Technologies (UK) Limited	10,918.55	10,489.31	5,931.31	-	2,364.50	-	1,672.05	-
(iii)	Professional Access Ltd.- USA	19,136.10	20,099.47	6,470.62	-	12,764.35	-	8,098.82	-
(iv)	Zensar Technologies IM Inc	2,733.63	1,898.95	3,005.05	-	437.37	-	159.89	-
(v)	Zensar (South Africa) Pty Limited	14,394.78	8,148.91	8,357.75	-	4,918.73	-	114.52	-
(vi)	Others	630.27	896.27	***705.10	-	***517.82	-	182.95	-
2	Group Companies:								
(i)	RPG Life Sciences Limited	73.98	18.64	15.34	-	9.95	-	4.28	-
(ii)	RPG Enterprises	335.04	309.35	5.18	-	10.06	-	14.48	-
(iii)	CEAT Limited	60.30	-	-	-	-	-	62.76	-
(iv)	Harrisons Malayalam Limited	-	-	4.83	-	4.83	-	4.83	-
(v)	KEC International Limited	-	-	-	-	-	-	48.27	-
(vi)	Raychem RPG Limited	-	-	-	-	-	-	9.65	-
	Total of rendering of Software Services	**99,656.84**	**95,865.53**	**62,459.94**	**-**	**58,457.96**	**-**	**46,050.31**	**-**
B.	**Receipt of Software Services**								
1	Wholly owned subsidiaries								
(i)	Zensar Technologies (Singapore) Pte. Limited	78.42	73.02	-	51.04	-	15.49	-	9.16
(ii)	Zensar Technologies (Shanghai) Company Limited	-	140.61	-	35.81	-	36.80	-	21.88
(iii)	Zensar Technologies IM Inc	1.43	-	-	1.39	-	-	-	35.35
(iv)	Zensar Advanced Technologies Ltd	-	-	-	-	-	-	-	-
	Total of Receipt from Software Services	**79.85**	**213.63**	**-**	**88.24**	**-**	**52.29**	**-**	**66.39**
C.	**Rendering of Other Services**								
1	Wholly owned subsidiaries:								
(i)	Zensar Technologies, Inc., USA (Finders' Fee)	471.00	487.40	390.75	-	348.82	-	324.08	-
(ii)	Zensar Technologies (UK) Limited (Finders' Fee)	337.28	311.54	224.31	-	101.48	-	117.57	-
(iii)	Professional Access Ltd.- USA (Finders' Fee)	54.98	38.68	37.94	-	3.88	-	51.19	-
2	Group Companies:								
(i)	KEC International Limited	-	0.14	0.14	-	0.14	-	0.14	-
(ii)	Ceat Ltd	9.21	8.99	0.77	-	0.76	-	-	-
	Total of rendering of Other Services	**872.47**	**846.75**	**653.91**	**-**	**455.08**	**-**	**492.98**	**-**
D.	**Receipt of Other Services**								
	Group Companies:								
(i)	RPG Enterprises	1,457.95	926.96	-	95.83	-	63.63	-	21.03
(ii)	Ceat Ltd	17.69	1.54	-	-	-	0.05	-	-
(iii)	Harrisons Malayalam Limited	0.18	1.27	-	-	-	-	-	-
	Total of receipts of Other Services	**1,475.82**	**929.77**	**-**	**95.83**	**-**	**63.68**	**-**	**21.03**
E.	**Reimbursement of cost with respect to Intangible Assets**								
(i)	Professional Access Ltd.- USA	-	-	-	-	-	-	-	210.28
	Total Reimbursement of cost with respect to Intangible Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**210.28**
F.	**Reimbursement of cost with respect to Tangible Assets**								
(i)	Zensar Technologies IM Inc	10.38	-	-	10.38	-	-	-	-
	Total Reimbursement of cost with respect to Intangible Assets	**10.38**	**-**	**-**	**10.38**	**-**	**-**	**-**	**-**

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on					
		March 31, 2017	March 31, 2016	March 31, 2017		March 31, 2016		April 1, 2015	
				Receivable	Payable	Receivable	Payable	Receivable	Payable
G.	**Reimbursement of expenses incurred**								
1	Wholly owned subsidiaries:								
(i)	Zensar Technologies, Inc., USA	2,366.14	1,.665.19	1,265.13	-	1,157.99	-	1,037.62	-
(ii)	Zensar Technologies (UK) Limited	2,288.32	1,362.11	1,031.34	-	157.55	-	82.25	-
(iii)	Zensar Technologies (Singapore) Pte. Limited	21.95	31.78	5.04	-	12.98	-	1.59	-
(iv)	Zensar Advanced Technologies Limited	-	-	*17.77	-	*18.31	-	15.97	-
(v)	Zensar Technologies (Shanghai) Co. Ltd	1.84	18.54	*131.84	-	*141.70	-	120.93	-
(vi)	Zensar Technologies IM Inc	256.54	385.28	223.66	-	101.29	-	26.30	-
(vii)	Zensar (South Africa) Pty Limited	917.62	698.52	278.83	-	729.35	-	1.40	-
(viii)	Professional Access Ltd.- USA (Net)	470.28	(669.03)	551.36	331.32	167.35	845.85	-	210.56
	Total reimbursement of expenses incurred (Net)	**6,322.69**	**3,492.39**	**3,504.97**	**331.32**	**2,486.52**	**845.85**	**1,286.06**	**210.56**
H.	**Other Income :**								
1	**Guarantee commission :**								
(i)	Zensar Technologies, Inc., USA	123.57	89.87	16.39	-	71.48	-	46.03	-
	Dividend received :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(i)	Zensar Technologies (UK) Limited	-	997.30	-	-	-	-	-	-
(ii)	Zensar Technologies (Singapore) Pte. Limited	430.27	85.99	-	-	-	-	-	-
	Total Other Income	**553.84**	**1,173.16**	**16.39**	**-**	**71.48**	**-**	**46.03**	**-**
I.	**Loans granted/ (repaid)**								
	Wholly owned subsidiaries:								
(i)	Zensar Advanced Technologies Limited	-	-	**1,080.95	-	**1,102.32	-	1,013.53	-
(ii)	Zensar Technologies (Shanghai) Company Limited	-	-	**77.82	-	**79.50	-	75.01	-
	Total of loans granted/ (repaid)	**-**	**-**	**1,158.77**	**-**	**1,181.82**	**-**	**1,088.54**	**-**
J.	**Interest on Unsecured Loans**								
1	Wholly owned subsidiaries:								
(i)	Zensar Advanced Technologies Limited	-	-	**212.33	-	**215.10	-	206.32	-
(ii)	Zensar Technologies (Shanghai) Company Limited	-	3.94	**19.92	-	**20.36	-	15.44	-
	Total of interest on Unsecured Loan	**-**	**3.94**	**232.25**	**-**	**235.46**	**-**	**221.76**	**-**
K.	**Donation**								
	Donation to Zensar Foundation	-	317.00	-	-	-	-	-	-
	Total Donation	**-**	**317.00**	**-**	**-**	**-**	**-**	**-**	**-**
L.	**Key management personnel compensation**								
	Total remuneration ****	717.58	660.97	-	-	-	-	-	-
	Total compensation of Key Management Personnel	**717.58**	**660.97**	**-**	**-**	**-**	**-**	**-**	**-**

* The provision of Rs. 149.61 lakhs (March 31, 2016 : Rs. 154.77 lakhs) has been made against the reimbursement of expenses incurred for ZATL & Shanghai

** The provision of Rs. 1,391.02 lakhs . (March 31, 2016 : Rs 1,417.28 lakhs) has been made against the above loan and interest outstanding.

*** A provision of Rs. 132.53 lakhs (March 31, 2016 : 134.90 lakhs) has been made on Intercompany receivables against the software services rendered.

**** Total remuneration does not include compensation related to stock option plan.

29 Contingent liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(a) Income Tax:			
Matters decided in favour of the Company by appellate authorities, where the Income Tax Department is in further appeal.	981.07	981.07	990.94
Matters on which the Company is in appeal	814.69	592.16	635.19
(b) Sales Tax / Value Added Tax:			
Claims against the Company regarding sales tax against which the Company has preferred appeals.	231.61	252.41	253.03
(c) Claims against the Company regarding service tax against which the Company has preferred appeal.	14.73	14.73	14.73
(d) Claim in respect of rented premises.	235.27	223.61	211.94
(e) Claims against the Company not acknowledged as debts.	1,412.89	190.41	62.28

30 Commitments

(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Property plant and equipment	1,687.85	354.54	227.01
Intangible assets	444.21	233.70	331.14

(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 totalled approximately Rs. 3,667.41 lakhs (March 31, 2016 Rs. 3,312.96 lakhs)

Future minimum lease payments in respect of non-cancellable operating leases	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one year	1,605.33	1,001.04	1,321.55
Later than one year and not later than five years	5,829.16	1,420.89	1,137.84
Later than one year and not later than five years	-	-	-

(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	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one year	56.68	137.45	220.23
Later than one year but not later than five years	26.19	82.87	167.44
Later than five years	-	-	-
Total	**82.87**	**220.32**	**387.67**

-Present value of minimum lease payments	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one year	51.50	120.34	191.09
Later than one year but not later than five years	25.37	77.44	149.49
Later than five years	-	-	-
Total	**76.87**	**197.78**	**340.58**

-Reconciliation of minimum lease payments and present value	March 31, 2017	March 31, 2016	April 1, 2015
Minimum lease rentals payable	82.87	220.32	387.67
Less: Finance charges to be recognized in subsequent periods	6.00	22.54	47.09
Present value of minimum lease payments payable	76.87	197.78	340.58

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	2016-17		2015-16	
	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	55,850	83.24	1,24,690	76.08
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(5,428)	43.05
Exercised during the year	(9,500)	84.76	(63,412)	72.61
Expired during the year	(2,400)	58.08	-	-
Outstanding at the end of the year	43,950	84.28	55,850	83.24
Exercisable at the end of the year	43,950		55,850	

Stock option activity under the "2006 ESOP" scheme is as follows:

Particulars	2016-17		2015-16	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	10,29,982	420.39	10,67,830	185.23
Granted during the year	2,13,000	1,007.86	3,01,000	812.43
Forfeited during the year	(2,21,594)	554.81	(97,606)	278.94
Exercised during the year	(2,32,710)	194.28	(2,41,242)	161.02
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,88,678	607.17	10,29,982	420.39
Vested and Exercisable at the end of the year	2,45,658		3,43,848	

(b) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Vesting under EPAU 2016 is dependent upon achievement of certain performance targets over a period of time as stated in the agreement.

The exercise price is Rs. 10 per unit and all vested units need to be exercised no later than two and half months from the end of calendar year in which vesting happens.

Stock option activity under the "EPAU 2016" scheme is as follows:

Particulars	2016-17	
	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	-	-
Granted during the year	2,53,818	10
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	2,53,818	10
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		
				March 31, 2017	March 31, 2016	April 1, 2015
2006 scheme	FY 2006-2009	50 - 150	FY 2022-2024	3,600	27,456	67,456
	FY 2010-2013	50 - 275	FY 2025-2028	1,69,218	3,88,036	6,08,924
	FY 2014-2017	250 - 1100	FY 2029-2032	6,15,860	7,14,490	3,64,486
Weighted average remaining contractual life of options outstanding at the end of the year				**12.42 years**	**12.45 years**	**11.97 years**
2002 scheme	FY 2002-2005	30 - 80	FY 2018-2020	5,050	7,200	35,850
	FY 2006-2009	60 - 130	FY 2021-2024	38,900	48,650	85,630
Weighted average remaining contractual life of options outstanding at the end of the year				**4.65 years**	**5.46 years**	**6.02 years**
EPAU, 2016	FY 2016-2017	5-10	FY 2023-2024	2,53,818	-	-
Weighted average remaining contractual life of options outstanding at the end of the year				**5.06 years**	**-**	**-**

(d) Fair value of options granted

The fair value of the options at the grant date is determined using Black Scholes 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, 2017 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					
	05-08-2016		14-12-2016		24-01-2017	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2
Expected Life (years) *	3.15	5.15	3.15	5.15	3.33	4.33
Volatility (%) **	39.75	38.29	39.75	38.29	39.19	36.83
Riskfree rate (%)	6.84	7.01	6.84	7.01	6.38	6.51
Exercise price (Rs.)	10	10	10	10	10	10
Dividend yield (%)	1.09	1.09	1.09	1.09	1.31	1.31
Fair value per vest	1055.68	1033.83	1055.68	1033.83	867.43	856.57
Vest %	40	60	40	60	40	60
Option fair value	**1042.57**		**1042.57**		**862.00**	

* The scheme allows for a maximum and mimimum vesting of 68 % and 40 % on the first vesting date - March 31, 2018 and a maximum and mimimum cumulative vesting of 170 % and 100 % at the final vesting date- March 31, 2021 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.

(ii) 2006 ESOP

Particulars	For Options granted in Financial Year 2016-17		
Grant Date	05-08-2016	05-08-2016	17-11-2016
Expected Life (years)	3.33-7.33	3.33-7.33	3.33-7.33
Volatility (%) **	38.82-39.11	38.82-39.11	38.23-39.84
Riskfree rate (%)	6.89 - 7.13	6.89 - 7.13	6.28-6.57
Exercise price (Rs.)	1000	1100	975
Dividend yield (%)	1.09	1.09	1.22
Option Fair Value	**494.23**	**460.47**	**398.09**

(e) Expense arising from share-based payment transactions:

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefits expense were Rs. 199.33 lakhs (March 31, 2016 Rs. 189.82 lakhs)

32. Earnings per share

Particulars	March 31, 2017	March 31, 2016
Profits attributable to equity shareholders (Rs. in lakhs)	18,021.78	23,822.47
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	447.39	444.54
Basic EPS (Rs.)	**40.28**	**53.59**
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year	447.39	444.54
Effect of dilutive issue of stock options	6.39	6.74
Weighted average number of equity shares outstanding for diluted EPS	453.78	451.28
Diluted EPS (Rs.)	**39.71**	**52.79**

33 Impairment

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquire is allocated to a Cash Generating Unit (CGU) representing the lowest level within the Company at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. As at March 31, 2017, March 31, 2016 and April 1, 2015 the goodwill was allocated entirely to the Digital and e-commerce cash generating unit which is part of the Application management services segment.

Please refer to note no. 33 of Consolidated Financial Statements.

34 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). In its transition from previous GAAP to Ind AS, the Company has also availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101. An explanation of how this transition has affected the company's financial performance and cash flows is set out in the following tables and notes.

(a) Exemptions from full retrospective application:

aa Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 retrospectively to business combinations occurring after October 1, 2010. The Company has elected to use the relief from the application of Ind AS 103 to business combinations that have occurred prior to this date and have not restated those business combinations.

ab Share based payment transactions

The Company has elected to apply the exemption available under Ind AS 101 regarding application of Ind AS 102, "Share Based Payment", to equity instruments that had vested before the transition date.

ac Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ad Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a foreign operation was formed or acquired.

The Company elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

ae Investments in subsidiaries

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investments insubsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

The other exemptions either do not apply or are not relevant for the Company.

(b) Mandatory exceptions

ba Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 1, 2015 are reflected as hedges in the Company's results under Ind AS.

The Company had designated some hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

bb Estimates

An entity's estimate on the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in mutual funds carried at FVPL;
- Impairment of financial assets based on expected credit loss model;
- Fair valuation of financial assets and liabilities excluding derivatives;
- Fair valuation of assets and liabilities arising in business combinations.

bc De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements under Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

bd Classification and measurement of financial assets

As required under Ind AS 101, the Company has classified and measured the financial assets on the basis of the facts and circumstances existing at the date of transition to Ind AS.

(c) Reconciliations between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

– equity as at April 1, 2015;
– equity as at March 31, 2016;
– total comprehensive income for the year ended March 31, 2016; and
– explanation of material adjustments to cash flow statements

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the Ind AS presentation.

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

ca Reconciliation of equity as at April 1, 2015

Particulars	Notes to first time adoption	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Assets				
Non current assets				
(a) Property, plant and equipment		7,749.41	-	7,749.41
(b) Capital work-in-progress		64.29	-	64.29
(c) Goodwill	9	1,117.70	158.59	1,276.29
(d) Other Intangible assets		1,396.55	-	1,396.55
(e) Intangible assets under development		78.99	-	78.99
(f) Financial assets				
i. Investments		715.61	-	715.61
ii. Loans		-	-	-
iii. Other financial assets	6	1,432.05	(566.36)	865.69
(g) Deferred tax assets (net)	7	913.43	228.32	1,141.75
(h) Other non-current assets		549.79	-	549.79
(i) Income tax assets (net)		2,028.96	-	2,028.96
Total Non-current assets		**16,046.78**	**(179.45)**	**15,867.33**
Current assets				
(a) Financial assets				
i. Investments	1	9,312.42	184.67	9,497.09
ii. Trade receivables		45,117.91	-	45,117.91
iii. Cash and cash equivalents		5,034.72	-	5,034.72
iv. Bank balances other than in (iii) above		124.75	-	124.75
v. Loans		-	-	-
vi. Unbilled revenue		10,994.07	-	10,994.07
vii. Other financial assets		1,729.49	-	1,729.49
(b) Other current assets	6	3,179.09	566.36	3,745.45
Total current assets		**75,492.45**	**751.03**	**76,243.48**
Total assets		**91,539.23**	**571.58**	**92,110.81**
Equity and liabilities				
Equity				
(a) Equity share capital		4,432.68	-	4,432.68
(b) Other equity				
i. Reserves and surplus	11	72,604.11	3,733.51	76,337.62
ii. Other components of equity	12	-	242.79	242.79
Total equity		**77,036.79**	**3,976.30**	**81,013.09**
Non-current liabilities				
(a) Financial liabilities				
i. Borrowings		149.49	-	149.49
(b) Provisions		90.75	-	90.75
(c) Employee benefit obligations	8	1,123.52	52.36	1,175.88
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		**1,363.76**	**52.36**	**1,416.12**
Current liabilities				
(a) Financial liabilities				
i. Borrowings		-	-	-
ii. Trade payables		2,072.47	-	2,072.47
iii. Other financial liabilities		4,249.96	-	4,249.96
(b) Provisions	3	3,457.08	(3,457.08)	-
(c) Employee benefit obligations		2,181.35	-	2,181.35
(d) Unearned revenue		407.74	-	407.74
(e) Other current liabilities		641.83	-	641.83
(f) Income tax liabilities (net)		128.25	-	128.25
Total current liabilities		**13,138.68**	**(3,457.08)**	**9,681.60**
Total liabilities		**14,502.44**	**(3,404.72)**	**11,097.72**
Total equity and liabilities		**91,539.23**	**571.58**	**92,110.81**

Notes to the Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

cb Reconciliation of equity as at March 31, 2016

Particulars	Notes to first time adoption	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Assets				
Non current assets				
(a) Property, plant and equipment		8,201.68	-	8,201.68
(b) Capital work-in-progress		18.40	-	18.40
(c) Goodwill	9	862.43	413.86	1,276.29
(d) Other Intangible assets		1,021.35	-	1,021.35
(e) Intangible assets under development		150.82	-	150.82
(f) Financial assets				
i. Investments		467.53	-	467.53
ii. Loans		-	-	-
iii. Other financial assets	6	1,453.83	(446.59)	1,007.24
(g) Deferred tax assets (net)	7	1,364.02	103.67	1,467.69
(h) Other non-current assets		334.28	-	334.28
(i) Income tax assets (net)		1,404.09	-	1,404.09
Total Non-current assets		**15,278.43**	**70.94**	**15,349.37**
Current assets				
(a) Financial assets				
i. Investments	1	10,155.19	628.79	10,783.98
ii. Trade receivables		52,522.29	-	52,522.29
iii. Cash and cash equivalents		8,400.41	-	8,400.41
iv. Bank balances other than in (iii) above		208.37	-	208.37
v. Loans		-	-	-
vi. Unbilled revenue		16,879.51	-	16,879.51
vii. Other financial assets	5	3,162.74	222.35	3,385.09
(b) Other current assets	6	3,871.52	423.85	4,295.37
Total current assets		**95,200.03**	**1,274.99**	**96,475.02**
Total assets		**1,10,478.46**	**1,345.93**	**1,11,824.39**
Equity and liabilities				
Equity				
(a) Equity share capital		4,463.14	-	4,463.14
(b) Other equity				
i. Reserves and surplus	11	89,887.90	1,252.71	91,140.61
ii. Other components of equity	12	-	25.19	25.19
Total equity		**94,351.04**	**1,277.90**	**95,628.94**
Non-current liabilities				
(a) Financial liabilities				
i. Borrowings		77.44	-	77.44
ii. Other financial liabilities		-		-
(b) Provisions		91.17	-	91.17
(c) Employee benefit obligations	8	1,195.72	68.03	1,263.75
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		**1,364.33**	**68.03**	**1,432.36**
Current liabilities				
(a) Financial liabilities				
i. Borrowings		1,325.04	-	1,325.04
ii. Trade payables		3,327.82	-	3,327.82
iii. Other financial liabilities		6,096.68	-	6,096.68
(b) Provisions		220.00	-	220.00
(c) Employee benefit obligations		1,459.21	-	1,459.21
(d) Unearned revenue		702.77		702.77
(e) Other current liabilities		1,086.13	-	1,086.13
(f) Income tax liabilities (net)		545.44	-	545.44
Total current liabilities		**14,763.09**	**-**	**14,763.09**
Total liabilities		**16,127.42**	**68.03**	**16,195.45**
Total equity and liabilities		**1,10,478.46**	**1,345.93**	**1,11,824.39**

cc Reconciliation of total equity as at March 31, 2016 and April 1, 2015

	Notes to first time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's fund) as per previous GAAP		**94,351.04**	**77,036.79**
Ind AS adjustments			
Proposed dividend	3	-	3,457.08
Fair valuation of investments	1	628.79	184.67
Actuarial valuation of employee benefits	8	(68.03)	(52.36)
Goodwill amortization written back	9	413.86	158.59
Fair valuing security deposits and amortisation of advance rentals	6	(22.74)	-
Recharge of cost incurred for stock options issues to employees of subsidiaries	5	222.35	-
Deferred taxes on above Ind AS adjustments	7	103.67	228.32
Total adjustments		**1,277.90**	**3,976.30**
Total equity as per Ind AS		**95,628.94**	**81,013.09**

cd Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Notes to first time adoption	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Income				
Revenue from operations		1,24,527.68	-	1,24,527.68
Other income (net)	1, 6	4,710.27	563.89	5,274.16
Total Income		**1,29,237.95**	**563.89**	**1,29,801.84**
Expenses				
Purchase of licenses for software applications		5,258.59	-	5,258.59
Employee benefits expense	4, 5, 8	64,185.28	(34.59)	64,150.69
Cost of manpower hired		2,815.91	-	2,815.91
Depreciation and amortisation expense	9	3,726.89	(255.27)	3,471.62
Other expenses		21,454.01	-	21,454.01
Finance cost	6	81.31	142.51	223.82
Total expenses		**97,521.99**	**(147.35)**	**97,374.64**
Profit before tax		**31,715.95**	**711.24**	**32,427.20**
Income tax expense				
Current tax		8,741.92	352.15	9,094.07
Deferred tax	7	(450.60)	(38.74)	(489.34)
Total tax expense		**8,291.32**	**313.41**	**8,604.73**
Profit for the year		**23,424.63**	**397.83**	**23,822.47**
Other comprehensive income, net of tax	12	-	(363.22)	(363.22)
Total comprehensive income		**23,424.63**	**34.61**	**23,459.25**

ce Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash flow from operating activities	14,035.89	(2.76)	14,033.13
Net cash flow from investing activities	(2,568.64)	-	(2,568.64)
Net cash flow from financing activities	(8,141.68)	2.76	(8,138.92)
Net increase / (decrease) in cash and cash equivalents	**3,325.57**	**-**	**3,325.57**
Cash and cash equivalents as at April 1, 2015	5,034.72	-	5,034.72
Effects of exchange rate changes on cash and cash equivalents	40.12	-	40.12
Cash and cash equivalents as at March 31, 2016	**8,400.41**	**-**	**8,400.41**

Analysis of changes in cash and cash equivalents for the purpose of statement of cash flows under Ind AS

	March 31, 2016	April 1, 2015
Cash and cash equivalents as per previous GAAP	8,400.41	5,034.72
GAAP adjustments	-	-
Cash and cash equivalents for the purpose of statement of cash flows	**8,400.41**	**5,034.72**

cf Notes to first time adoption

Note 1 - Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This increased the retained earnings by Rs. 628.79 lakhs as at March 31, 2016 (April 1, 2015 - Rs. 184.67 lakhs).

Consequent to the above, the total equity as at March 31, 2016 increased by Rs. 628.79 lakhs (April 1, 2015 - Rs. 184.67 lakhs) and profit for the year ended March 31, 2016 increased by Rs. 444.12 lakhs.

Note 2 - Foreign currency translation reserve

The Company elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 1, 2015. Accordingly, translation reserve balance under previous GAAP of Rs. 983.41 lakhs has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

Note 3 - Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax thereon) of Rs. Nil as at March 31, 2016 (April 1, 2015 Rs. 3,457.08 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 4 - Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by Rs. 222.69 lakhs. There is no impact on the total equity as at March 31, 2016.

Note 5 - Employee stock option expense

i. Under the previous GAAP, the cost of equity-settled employee share-based plan was recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by Rs. 837.02 lakhs as at March 31, 2016 (April 1, 2015- Rs. 442.24 lakhs). There is increase in total equity by Rs.222.35 lakhs as at March 31,2016 due to recharge from the subsidiaries. The profit for the year ended March 31, 2016 decreased by Rs. 172.42 lakhs.

ii. Under the previous GAAP, the employee stock compensation expense incurred with respect to the options granted to employees of subsidiary companies to be settled by the parent company by granting its own equity instruments was retained in the books of the parent. Under Ind AS 102, such costs, excludes cases where these are re-charged from the subsidiaries.

Note 6 - Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 446.59 lakhs as at March 31, 2016 (April 1, 2015- Rs. 566.36 lakhs). The prepaid rent increased by Rs. 423.85 lakhs as at March 31, 2016 (April 1, 2015 - Rs. 566.36 lakhs). There was no impact on total equity as at April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 22.74 lakhs due to amortisation of the prepaid rent of Rs. 142.51 lakhs which is partially off-set by the notional interest income of Rs. 119.77 lakhs recognised on security deposits.

Note 7 - Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Consequently the net deferred tax asset as at March 31, 2016 increased by Rs. 103.67 lakhs (April 1, 2015- Rs. 228.32 lakhs), the profit and total comprehensive income for the year ended March 31, 2016 increased by Rs. 38.74 lakhs and decreased by Rs. 163.40 lakhs respectively.

Note 8 - Employee benefits

Under the previous GAAP, the rate used to discount post-employment benefit obligations of the Company, including its foreign branches, was determined by reference to market yields at the end of the reporting period on government bonds/securities. Ind AS 19, Employee Benefits requires the discounting of such obligations in respect for foreign branches using the rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds, unless the foreign branches are domiciled in countries where there is no deep market in such bonds. Consequently, the discounting of liability of foreign branches using corporate bond rates has resulted in an increase in liability as at March 31, 2016 by Rs. 68.03 lakhs (April 1, 2015 - increase by Rs. 52.36 lakhs) and decrease in profit for the year then ended by Rs.15.67 lakhs.

Note 9 - Goodwill amortization

Under the previous GAAP, goodwill arising on business combinations was capitalised on balance sheet and amortised over its expected useful life. Under Ind AS 103, Business Combinations, the amortisation of goodwill is prohibited, and goodwill is held at cost with impairment reviews carried out annually or at other times if there are indications that the carrying value is not recoverable.

The goodwill amortisation charge recognised under previous GAAP has therefore been reversed, resulting in an increase in profit for the year ended March 31, 2016 by Rs. 255.27 lakhs (April 1, 2015 - Rs. 158.59 lakhs).

Note 10 - Business combinations

Under Ind AS, all the assets and liabilities arising from a business combination are identified and recorded at fair value. Under previous GAAP, assets and liabilities arising from a business combination were recognized at their carrying values in the books of the acquiree.

Note 11: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 12: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income include remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

35 Impact of change in election of exemptions on transition to Ind AS

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 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 year ended March 31, 2017 is not material.

36 Segment reporting

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

37 Business Combination

(a) Business combination occurring after the end of the reporting period but before the financial statements are approved for issue:

aa Summary of acquisition:

The Company entered into a Business Undertaking Transfer Agreement for the purchase of business of Keystone Logic Solutions Private Limited, for a purchase consideration of Rs. 5,181 lakhs (excluding contingent consideration).

The payment of purchase consideration and acquisition of related control occurred subsequent to March 31, 2017.

ab The transaction was consummated on April 1, 2017 and as at the date of the issue of financial statements the accounting for business combination is incomplete. As a result other disclosures required under Ind AS 103 - Business Combination have not been made.

(b) Business combination occurring in the previous reporting periods but impacting the financial statements of current period:

ba Professional Access (PA) : On August 14, 2014, the Company entered into a Business Undertaking Transfer Agreement (BTA) for the purchase of business from Professional Access Software Development Private Limited, an Oracle Platinum partner. There were no adjustments to the carrying amount of goodwill during the current year and consequently the goodwill as at the beginning and the end of the year remains Rs. 1,276.29 lakhs.

bb Other disclosures mandated under paragraph B67 of Ind AS 103- Business Combination are not relevant for this transaction and hence have not been made.

38 Disclosure on Specified Bank Notes (SBNs)

During the year, the company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308 (E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

In INR

	SBNs (#)	Other denomination notes	Total
Balance as at November 8, 2016	**1,51,000**	**35,359**	**1,86,359**
Less : Permitted payments	-	5,75,749	5,75,749
Less : Amount deposited in banks	1,76,000	-	1,76,000
Add : Permitted receipts	25,000	6,80,000	7,05,000
Closing balance as at December 30, 2016	**-**	**1,39,610**	**1,39,610**

Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated November 08, 2016.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Limited

Amit Borkar
Partner
Membership No. 109846

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Place: Pune
Date: April 25, 2017

CONSOLIDATED FINANCIAL STATEMENTS

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 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 ₹ 535.91 lakhs and net assets of (₹ 228.55 lakhs) as at March 31, 2017, total revenue of ₹ 398.97 lakhs, net loss of ₹ 6.40 lakhs and net cash flows amounting to ₹ 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.

Report on Other Legal and Regulatory Requirements

10. As required by Section143(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 34 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 42 to the consolidated Ind AS financial statements.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 9(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.

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

1. IIn 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.

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.

Annexure A to Independent Auditors' Report (Contd.)

Referred to in paragraph 9(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.

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

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
Assets				
Non current assets				
(a) Property, plant and equipment	4	9,145.99	9,332.42	8,778.19
(b) Capital work-in-progress	4	101.45	18.40	64.29
(c) Goodwill	5	31,657.03	26,868.14	25,420.75
(d) Other intangible assets	5	4,002.02	2,412.00	5,190.46
(e) Intangible assets under development	5	162.08	150.82	78.99
(f) Financial assets				
i. Investments	6(a)	9,602.57	2,626.33	2,199.10
ii. Other financial assets	6(d)	1,485.69	1,176.53	1,415.77
(g) Deferred tax assets (net)	7	1,738.33	2,159.75	3,076.64
(h) Other non-current assets	8	1,127.41	1,159.11	609.94
(i) Income tax assets (net)	18(a)	3,924.01	2,384.74	3,001.30
Total non-current assets		**62,946.58**	**48,288.24**	**49,835.43**
Current assets				
(a) Inventories	9	11,267.41	12,586.66	12,262.25
(b) Financial assets				
i. Investments	6(b)	14,667.13	10,783.98	9,497.09
ii. Trade receivables	6(c)	53,267.06	54,002.93	44,828.45
iii. Cash and cash equivalents	6(f)	32,713.38	27,486.10	18,977.63
iv. Bank balances other than in (iii) above		196.34	208.37	124.75
v. Unbilled revenues		25,530.00	23,506.91	16,828.77
vi. Other financial assets	6(e)	1,825.69	1,054.28	597.91
(c) Other current assets	10	7,855.75	8,979.61	7,600.75
Total current assets		**1,47,322.76**	**1,38,608.84**	**1,10,717.60**
Total assets		**2,10,269.34**	**1,86,897.08**	**1,60,553.03**
Equity and liabilities				
Equity				
(a) Equity share capital	11(a)	4,487.36	4,463.14	4,432.68
(b) Other equity				
i. Reserves and surplus	11(b)	1,42,118.20	1,20,267.87	1,00,331.84
ii. Other components of equity	11(c)	443.55	1,780.31	661.58
Equity attributable to shareholders of the company		1,47,049.11	1,26,511.32	1,05,426.10
Non-controlling interests	31(b)	741.45	391.10	116.07
Total equity		**1,47,790.56**	**1,26,902.42**	**1,05,542.17**
Non-current liabilities				
(a) Financial liabilities				
i. Borrowings	12(a)	146.12	77.45	149.49
ii. Other financial liabilities	12(b)	3,658.15	980.46	1,501.16
(b) Provisions	14	97.27	91.17	90.75
(c) Employee benefit obligations	16	3,594.85	3,604.89	3,716.90
(d) Other non-current liabilities		84.99	187.29	382.78
Total non-current liabilities		**7,581.38**	**4,941.26**	**5,841.08**
Current liabilities				
(a) Financial liabilities				
i. Borrowings	12(a)	12,908.48	14,731.48	9,715.87
ii. Trade payables	13	17,733.51	16,573.20	12,931.89
iii. Other financial liabilities	12(b)	8,005.79	10,120.70	14,197.56
(b) Provisions	15	-	220.00	5.39
(c) Employee benefit obligations	16	2,874.61	1,690.15	2,383.16
(d) Unearned revenue		8,160.38	8,390.50	7,525.79
(e) Other current liabilities	17	2,277.83	2,180.18	1,770.50
(f) Income tax liabilities (net)	18(a)	2,936.80	1,147.19	639.62
Total current liabilities		**54,897.40**	**55,053.40**	**49,169.78**
Total liabilities		**62,478.78**	**59,994.66**	**55,010.86**
Total equity and liabilities		**2,10,269.34**	**1,86,897.08**	**1,60,553.03**

The accompanying notes are an integral part of these financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Consolidated Statement of Profit And Loss

(All amounts in INR Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	19	3,06,037.50	2,95,186.99
Other income	20	820.93	844.41
Other gains / (losses) - net	21	1,106.96	4,539.95
Total income		**3,07,965.39**	**3,00,571.35**
Expenses			
Purchase of network and security products		12,995.63	15,450.79
Purchases of licenses for software applications		9,171.21	6,313.09
(Increase)/decrease in inventories		1,319.25	(324.41)
Employee benefits expense	22	1,58,007.11	1,45,730.95
Cost of manpower hired		35,879.90	35,074.81
Depreciation and amortisation expense	23	4,857.45	6,509.53
Other expenses	24	49,995.58	49,063.11
Finance cost	25	876.93	1,066.05
Total expenses		**2,73,103.06**	**2,58,883.92**
Profit before tax		**34,862.33**	**41,687.43**
Income tax expense	**26**		
Current tax		10,506.24	11,697.37
Deferred tax		519.24	759.77
Total tax expense		**11,025.48**	**12,457.14**
Profit for the year		**23,836.85**	**29,230.29**
Other comprehensive income			
A. Items that may be reclassified to profit or loss			
- Fair value changes on cash flow hedges	11(c)	710.42	465.50
- Exchange difference on translation of foreign operations	11(c)	(1,481.08)	311.16
- Income tax relating to these items	11(c)	(411.87)	111.68
		(1,182.53)	888.34
B. Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations	16	(727.08)	(222.69)
- Change in fair value of equity instruments	11(c)	(258.38)	381.49
- Income tax relating to this item	26(iii)	355.78	(74.03)
		(629.68)	84.77
Other comprehensive income for the year, net of tax [A+B]		**(1,812.21)**	**973.11**
Total comprehensive income for the year		**22,024.64**	**30,203.40**
Profit is attributable to:			
- owners of Zensar Technologies Limited		23,486.50	28,955.26
- non controlling interests		350.35	275.03
		23,836.85	**29,230.29**
Other comprehensive income is attributable to:			
- owners of Zensar Technologies Limited		(1,812.21)	973.11
- non controlling interests		-	-
		(1,812.21)	**973.11**
Total comprehensive income is attributable to:			
- owners of Zensar Technologies Limited		21,674.29	29,928.37
- non controlling interests		350.35	275.03
		22,024.64	**30,203.40**
Earnings per share - [nominal value per share Rs.10/- (March 31, 2016: Rs.10/-)]	37		
- Basic		52.50	65.13
- Diluted		51.76	64.16

The accompanying notes are an integral part of these financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Consolidated Statement of changes in equity

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	Attributable to owners of the Company											Total other equity	Non-controlling interests	Total
		Equity share capital	Reserves & surplus							Other components of equity					
			Capital redemption reserve	Share based payment reserve	Capital reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	FVOCI-equity investments	Foreign currency translation reserve			
Balance as at April 1, 2015		**4,432.68**	**442.40**	**472.72**	**292.96**	**1,151.74**	**37,363.79**	**60,608.23**	**-**	**242.79**	**418.79**	**-**	**1,05,426.10**	**116.07**	**1,05,542.17**
Profit for the year	11(b)	-	-	-	-	-	28,955.26	-	-	-	-	-	28,955.26	275.03	29,230.29
Fair value changes on cash flow hedge, net of tax	11(c)	-	-	-	-	-	-	-	-	302.10	-	-	302.10	-	302.10
Change in fair value of equity instruments	11(c)	-	-	-	-	-	-	-	-	-	230.39	-	230.39	-	230.39
Exchange differences on translation of results and financial postion of foreign operation, net of tax	11(c)	-	-	-	-	-	-	-	-	-	-	586.24	586.24	-	586.24
Remeasurement of net defined benefit liability / asset, net of tax effect	11(b)	-	-	-	-	-	(145.62)	-	-	-	-	-	(145.62)	-	(145.62)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**28,809.64**	**-**	**-**	**302.10**	**230.39**	**586.24**	**29,928.37**	**275.03**	**30,203.40**
Transaction with owners in their capacity as owners:															
Dividends paid	11(b)	-	-	-	-	-	(9,692.24)	-	-	-	-	-	(9,692.24)	-	(9,692.24)
Compensation cost related to employee share-based payment	11(b)	-	-	412.17	-	-	-	-	-	-	-	-	412.17	-	412.17
Issue of equity shares on exercise of options	11(a),(b)	30.46	-	(6.96)	-	413.42	-	-	-	-	-	-	436.92	-	436.92
Stock options lapsed/cancelled during the year	11(b)	-	-	(9.64)	-	-	-	9.64	-	-	-	-	-	-	-
Transfer to general reserve	11(b)	-	-	-	-	-	(14,000.00)	14,000.00	-	-	-	-	-	-	-
Balance as at March 31, 2016		**4,463.14**	**442.40**	**868.29**	**292.96**	**1,565.16**	**42,481.19**	**74,617.87**	**-**	**544.89**	**649.18**	**586.24**	**1,26,511.32**	**391.10**	**1,26,902.42**
Profit for the year	11(b)	-	-	-	-	-	23,486.50	-	-	-	-	-	23,486.50	350.35	23,836.85
Fair value changes on cash flow hedge, net of tax	11(c)	-	-	-	-	-	-	-	-	464.56	-	-	464.56	-	464.56
Change in fair value of equity instruments	11(c)	-	-	-	-	-	-	-	-	-	(154.23)	-	(154.23)	-	(154.23)
Exchange differences on translation of results and financial postion of foreign operation, net of tax	11(c)	-	-	-	-	-	-	-	-	-	-	(1,647.09)	(1,647.09)	-	(1,647.09)
Remeasurement of net defined benefit liability / asset, net of tax effect	11(b)	-	-	-	-	-	(475.45)	-	-	-	-	-	(475.45)	-	(475.45)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**23,011.05**	**-**	**-**	**464.56**	**(154.23)**	**(1,647.09)**	**21,674.29**	**350.35**	**22,024.64**

Consolidated Statement of changes in equity

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	Attributable to owners of the Company											Total other equity	Non-controlling interests	Total
		Equity share capital	Reserves & surplus							Other components of equity					
			Capital redemption reserve	Share based payment reserve	Capital reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	FVOCI-equity investments	Foreign currency translation reserve			
Transaction with owners in their capacity as owners:															
Dividends paid	11(b)	-	-	-	-	-	(2,610.27)	-	-	-	-	-	(2,610.27)	-	(2,610.27)
Compensation cost related to employee share-based payment	11(b)	-	-	1,013.60	-	-	-	-	-	-	-	-	1,013.60	-	1,013.60
Issue of equity shares on exercise of options	11(a),(b)	24.22	-	(35.54)	-	471.49	-	-	-	-	-	-	460.17	-	460.17
Stock options lapsed/cancelled during the year	11(b)	-	-	(12.74)	-	-	-	12.74	-	-	-	-	-	-	-
Transfer to general reserve	11(b)	-	-	-	-	-	(10,000.00)	10,000.00	-	-	-	-	-	-	-
Transfer to Special economic zone re-investment reserve	11(b)	-	-	-	-	-	(180.00)	-	180.00	-	-	-	-	-	-
Balance as at March 31, 2017		**4,487.36**	**442.40**	**1,833.61**	**292.96**	**2,036.65**	**52,701.97**	**84,630.61**	**180.00**	**1,009.45**	**494.95**	**(1,060.85)**	**1,47,049.11**	**741.45**	**1,47,790.56**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
This is the consolidated statement of changes in equity referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Limited

Amit Borkar
Partner
Membership No. 109846

H.V. Goenka
Chairman
DIN: 00026726

Sandeep Kishore
Managing Director & CEO
DIN: 07393680

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Place: Pune
Date: April 25, 2017

Statement of Consolidated Cash Flows

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2017		March 31, 2016	
Cash flow from operating activities				
Profit before taxation		34,862.33		41,687.43
Adjustments for:				
Depreciation and amortisation	4,857.45		6,509.53	
Employee share based payment expense	1,013.60		414.69	
(Profit) / loss on sale of investments (net)	(480.85)		(306.93)	
Changes in fair value of financial assets/liabilities measured at fair value through profit and loss	(757.17)		(865.06)	
Unwinding of discount on security deposits	(142.92)		(132.87)	
Dividend income	(37.86)		(104.84)	
Interest income	(417.48)		(489.02)	
Finance costs	876.93		1,066.05	
Profit on sale of tangible assets (net)	(27.67)		(8.53)	
Provision for doubtful debts	2,473.01		3,316.14	
Bad debts written off	790.14		242.26	
Net exchange differences	766.40	8,913.58	(1,299.38)	8,342.04
Operating profit before working capital changes		**43,775.91**		**50,029.47**
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	(27.84)		372.11	
(Increase)/ decrease in other non current assets	31.70		(549.17)	
(Increase)/ decrease in inventories	1,319.25		(324.41)	
(Increase)/ decrease in trade receivables	(1,261.69)		(12,732.88)	
(Increase)/ decrease in other current financial assets	(1,153.01)		(6,669.01)	
(Increase)/ decrease in other current assets	1,315.45		(1,378.86)	
Increase/ (decrease) in other non current financial liabilities	68.23		(167.72)	
Increase/ (decrease) in non current provisions	6.10		0.42	
Increase/ (decrease) in non current employee benefit obligations	(785.64)		(257.63)	
Increase/ (decrease) in other non current liabilities	(102.30)		(195.49)	
Increase/ (decrease) in trade payables	383.91		3,641.31	
(Increase)/ decrease in other current financial liabilities	(2,106.60)		3,373.32	
Increase/ (decrease) in current provisions	(220.00)		214.61	
Increase/ (decrease) in current employee benefit obligations	1,184.46		(693.02)	
Increase/ (decrease) in other current liabilities	(1,461.33)	(2,809.31)	1,274.41	(14,092.01)
Cash generated from operations		**40,966.60**		**35,937.46**
Income taxes paid (net of refunds)	10,238.31	(10,238.31)	10,460.41	(10,460.41)
Net cash inflow from operating activities		**30,728.29**		**25,477.05**
Cash flow from investing activities				
Purchase of tangible/intangible assets including capital	(3,533.40)		(4,274.36)	
Purchase of business	(6,050.90)		-	
Sale of tangible/intangible assets	41.32		9.52	
Purchase of non current investments	(7,298.31)		-	
Sale of non current investments	0.85		79.98	
Sale of investments	48,036.44		57,158.00	
Purchase of investments	(50,523.83)		(57,694.00)	
Interest income	417.48		556.98	
Dividend income	37.86		104.84	
Net cash used in investing activities		**(18,872.49)**		**(4,059.04)**

Statement of Consolidated Cash Flows

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2017		March 31, 2016	
Cash flow from financing activities				
Proceeds from share allotment under employee stock option schemes	460.17		436.92	
Interest paid	(877.66)		(1,099.25)	
Proceeds / (repayment) of short-term borrowings	(1,902.89)		(2,484.99)	
Proceeds / (repayment) of long-term borrowings	(79.23)		(72.04)	
Dividend on equity shares and tax thereon	(2,610.27)		(9,692.24)	
Net cash used in financing activities		**(5,009.88)**		**(12,911.60)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1,618.64)		2.06
Net increase/(decrease) in cash and cash equivalents		**5,227.28**		**8,508.47**
Cash and cash equivalents at the beginning of the financial year		27,486.10		18,977.63
Cash and cash equivalents at the end of the financial year		32,713.38		27,486.10

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:

	2016-17	2015-16	2014-15
Cash on Hand	9.76	6.55	5.67
Balances with Banks	32,703.62	27,479.55	18,971.96
Total	**32,713.38**	**27,486.10**	**18,977.63**

The accompanying notes are an integral part of these financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2017

1. General Information

Zensar Technologies Limited (the "Company") along with its wholly owned and controlled 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, *Flow Interactive Limited , *Knit Limited and Foolproof (SG) Pte Limited (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 public limited Group company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

*Effective from November 2, 2016

2. Summary of Significant Accounting Policies

(a) Basis of preparation

(i) 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.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

The financial statements are the first financial statements of the Group under Ind AS.Refer note 38 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

(ii) 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; and
- share- based payments
- assets and liabilities arising in a business combination

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

Subsidiaries: Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Changes in ownership interests: When the group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of Zensar Technologies Limited, assesses the financial performance and position of the Company, and makes strategic decisions. The Board of Directors is therefore considered to be the chief operating decision maker.

(c) 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 Technologies 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) Group companies

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.
- 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 treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

(d) Revenue Recognition

The Group derives revenue primarily from software development, maintenance of software/hardware and related services, and sale of software licenses.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

The Group recognized revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group estimates its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(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:

Revenues from fixed-price contracts, including IT Infrastructure development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and 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.

(iv) Multiple element arrangements:

Revenue from contracts with multiple-element arrangements are recognized using the guidance in Ind AS 118, Revenue. The Group allocates the arrangement consideration to separately identifiable components based on their relative fair values or on the residual method. Fair values are determined based on sale prices for the

components when it is regularly sold separately, third-party prices for similar components or cost plus an appropriate business-specific profit margin related to the relevant component.

(v) Sale of Products and Licenses:

Revenue from sale of product, licenses and support are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(e) 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 provision for taxation includes tax liabilities in India on the Group's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries as per Indian Income -tax Act, 1961. Effective April 1, 2016 the tax liabilities pertaining to India are computed using the Income Computation and Disclosure Standards notified under the Income-tax Act, 1961.

The Group 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 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.

(iii) Minimum Alternate Tax (MAT)

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group 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 (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

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 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.

(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) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excessof any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of sale of the non-current asset (disposal group) is recognized at the date of de-recognition.

Non- current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and

- that represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of such a line of business or area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately in the statement of profit and loss.

(l) 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.

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:

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 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:

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 recognized in profit or 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 Group and the amount of dividend can be measured reliably.

(m) 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 and financial guarantee contracts.

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 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/ losses 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 liabilities 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. The amounts are unsecured and are usually paid within 30 days of recognition. 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 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 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.

(n) 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 income 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 operation

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 income 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 income.

(o) 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.

(p) 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.

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 bemeasured 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.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(ii) Transition to Ind AS

On transition to Ind AS, the Group has decided to continue with the carrying value of all its property, plan and equipment recognized as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) Depreciation

The Group 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 Assets	Useful Life as per prescribed in Schedule II	Useful Life as followed by the Company
Server and Networking Equipment	6 Years	4 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 lease of land with a tenure of 95 years has been classifed as finance lease and is depreciated over the lease period.

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.

(q) Business combination, Goodwill and Intangible Assets

(i) Business combination:

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expensed as incurred.

The cost of an acquisition also includes the fair value of any contingent consideration measured as at the date of acquisition. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognized in the Statement of profit and loss.

(ii) Goodwill:

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized immediately in the Statement of profit and loss.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(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 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.

Goodwill: The excess of the cost of an acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit and loss.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(iv) 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.

(v) Amortization periods and methods:

Intangible assets are amortized on straight line basis over their estimated useful lives which are as follows:

Class of Assets	Useful life as per Schedule II
Software	1-5 Years
Technical know-how (internally generated)	5 Years
Intangible asset- Non compete agreements	3-5 Years
Intangible asset- Customer relationship	4-5 Years
Intangible asset- Brand	5 Years

(vi) Transition to Ind AS

On transition to Ind AS, the Group has decided to continue with the carrying value of all its property, plan and equipment recognized as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(r) 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.

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.

(s) 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 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 is 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 recognized in the other comprehensive income in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized 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 incurred.

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 and sick leave:

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 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.

(t) Fair value measurement:

The Group measures certain financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- intheprincipalmarketfortheassetorliability,or
- in the absence of a principal market, in the most advantageous market for the asset or liability

(u) 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.

(v) 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.

(w) Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholdersby 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.

(x) 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.

(y) Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based

payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

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. Provisions for estimated losses, ifany,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 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.

c Goodwill

Goodwill is tested for impairment at least annually and 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.

d 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. Alsorefernote16.

e 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 36.

4. Property, plant and equipment

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Freehold Land	Leasehold Land	Buildings	Improvement to leasehold premises	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipments	Data processing equipments - leased	Motor Vehicles	Total	Capital work in progress
Gross Carrying Value												
Deemed cost as at April 1, 2015	0.49	227.90	3,911.79	722.52	410.69	916.91	830.08	1,375.76	230.21	151.84	**8,778.19**	64.29
Additions	-	-	24.27	48.35	336.37	345.49	255.82	1,906.31	60.77	39.91	**3,017.29**	19.23
Disposals/Adjustments	-	-	-	-	-	-	0.63	1.03	(0.47)	(2.18)	**(0.99)**	-
Translation difference	-	-	-	205.99	-	46.85	11.10	350.84	-	-	**614.78**	-
Transfers	-	-	-	-	-	-	-	-	-	-	**-**	(65.12)
Gross carrying amount as at March 31, 2016	**0.49**	**227.90**	**3,936.06**	**976.86**	**747.06**	**1,309.25**	**1,097.63**	**3,633.94**	**290.51**	**189.57**	**12,409.27**	**18.40**
Accumulated Depreciation												
Charge for the year	-	2.77	178.94	308.59	161.32	239.80	343.74	1,104.43	173.36	63.93	**2,576.89**	-
Disposals	-	-	-	-	-	-	-	-	-	-	**-**	-
Translation difference	-	-	-	149.17	(0.09)	34.72	38.02	278.15	-	-	**499.97**	-
Closing accumulated depreciation as at March 31, 2016	**-**	**2.77**	**178.94**	**457.76**	**161.23**	**274.52**	**381.77**	**1,382.58**	**173.36**	**63.93**	**3,076.85**	**-**
Net carrying value as at March 31, 2016	**0.49**	**225.13**	**3,757.12**	**519.10**	**585.83**	**1,034.73**	**715.86**	**2,251.36**	**117.15**	**125.64**	**9,332.42**	**18.40**

Particulars	Freehold Land	Leasehold Land	Buildings	Improvement to leasehold premises	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipments	Data processing equipments - leased	Motor Vehicles	Total	Capital work in progress
Gross Carrying Value												
As at March 31, 2016	0.49	227.90	3,936.06	976.86	747.06	1,309.25	1,097.63	3,633.94	290.51	189.57	**12,409.27**	18.40
Additions	-	-	109.10	58.66	169.65	163.74	231.93	1,383.58	3.81	65.61	**2,186.08**	85.51
Disposals/Adjustments	-	-	-	-	-	(0.02)	(2.60)	(0.90)	-	(13.65)	**(17.17)**	-
Acquired pursuant to acquisition-net (Refer note 40 (c))	-	-	-	-	-	122.61	-	174.28	-	-	**296.90**	-
Translation difference	-	-	-	(72.27)	-	(17.74)	(29.34)	(81.35)	-	-	**(200.69)**	-
Transfers	-	-	-	-	-	-	-	-	-	-	**-**	(2.46)
Gross carrying amount as at March 31, 2017	**0.49**	**227.90**	**4,045.16**	**963.25**	**916.71**	**1,577.85**	**1,297.62**	**5,109.55**	**294.32**	**241.53**	**14,674.39**	**101.45**
Accumulated Depreciation												
As at March 31, 2016	-	2.77	178.94	457.76	161.23	274.52	381.77	1,382.58	173.36	63.93	**3,076.85**	-
Charge for the year	-	2.77	180.11	253.67	178.47	282.45	320.02	1,310.21	80.67	40.50	**2,648.86**	-
Disposals	-	-	-	(3.37)	-	(0.15)	-	-	-	-	**(3.52)**	-
Translation difference	-	-	-	(62.34)	0.08	(15.37)	6.43	(122.60)	-	-	**(193.79)**	-
Closing accumulated depreciation as at March 31, 2017	**-**	**5.54**	**359.05**	**645.72**	**339.78**	**541.45**	**708.22**	**2,570.18**	**254.03**	**104.43**	**5,528.40**	**-**
Net carrying value as at March 31, 2017	**0.49**	**222.36**	**3,686.11**	**317.53**	**576.93**	**1,036.40**	**589.41**	**2,539.36**	**40.29**	**137.10**	**9,145.99**	**101.45**

(i) **Capital work-in progress:**
Capital work-in progress mainly comprises improvements to leasehold premises.

(ii) **Contractual obligations:**
Refer note 35 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) **Leased assets**
- Data Processing Equipments leased assets represents assets where the Company is a lessee under finance lease.
- The Lease term in respect of assets acquired under finance leases generally expire within four years. Under the term of leases, the company has the option to acquire the leased assets for 15% of their agreed value on expiry of leases.

5 Goodwill and Intangible Assets

(All amounts in INR Lakhs, unless otherwise stated)

The following tables present the reconciliation of changes in carrying value of goodwill and other intangible assets:

Particulars	Goodwill	Computer Software (Acquired)	Technical know-how (Internally generated)	Non Compete Agreements	Customer Relationship	Brand	Customer contracts	Total Other intangible assets	Intangible assets under development
Gross Carrying Value									
Deemed cost as at April 1, 2015	25,420.75	1,035.03	583.15	993.29	1,547.07	507.91	524.01	**5,190.46**	78.99
Additions	-	1,231.12	-	-	-	-	-	**1,231.12**	71.83
Disposals/Adjustments	-	-	-	-	-	-	-	**-**	-
Translation difference	1,447.39	11.76	-	-	-	-	-	**11.76**	-
Gross carrying amount as at March 31, 2016	**26,868.14**	**2,277.91**	**583.15**	**993.29**	**1,547.07**	**507.91**	**524.01**	**6,433.34**	**150.82**
Accumulated Amortisation									
Amortisation charge for the year	-	1,513.69	194.89	680.74	847.83	507.91	187.57	**3,932.64**	-
Disposals	-	-	-	-	-	-	-	**-**	-
Translation difference	-	88.70	-	-	-	-	-	**88.70**	-
Closing accumulated amortisation as at March 31, 2016	**-**	**1,602.39**	**194.89**	**680.74**	**847.83**	**507.91**	**187.57**	**4,021.34**	**-**
Net carrying value as at March 31, 2016	**26,868.14**	**675.52**	**388.26**	**312.55**	**699.23**	**-**	**336.44**	**2,412.00**	**150.82**

Particulars	Goodwill	Computer Software (Acquired)	Technical know-how (Internally generated)	Non Compete Agreements	Customer Relationship	Brand	Customer contracts	Total Other intangible assets	Intangible assets under development
Gross Carrying Value									
As at March 31, 2016	26,868.14	2,277.91	583.15	993.29	1,547.07	507.91	524.01	**6,433.34**	150.82
Additions	-	1,209.03	-	-	-	-	-	**1,209.03**	11.26
Disposals/Adjustments	-	-	-	-	-	-	-	**-**	-
Acquired pursuant to acquisition-net (Refer note 40 (c)	5,330.46	1.71	-	69.65	2,357.72	177.15	-	**2,606.24**	-
Translation difference	(541.57)	(22.94)	-	-	-	-	-	**(22.94)**	-
Gross carrying amount as at March 31, 2017	**31,657.03**	**3,465.71**	**583.15**	**1,062.94**	**3,904.79**	**685.06**	**524.01**	**10,225.66**	**162.08**
Accumulated Amortisation									
As at March 31, 2016	-	1,602.39	194.89	680.74	847.83	507.91	187.57	**4,021.34**	-
Amortisation charge for the year	-	1,310.69	194.37	208.37	279.69	-	215.48	**2,208.59**	-
Disposals	-	-	-	-	-	-	-	**-**	-
Translation difference	-	(6.29)	-	-	-	-	-	**(6.29)**	-
Closing accumulated amortisation as at March 31, 2017	**-**	**2,906.79**	**389.26**	**889.11**	**1,127.52**	**507.91**	**403.05**	**6,223.64**	**-**
Net carrying value as at March 31, 2017	**31,657.03**	**558.92**	**193.89**	**173.83**	**2,777.27**	**177.15**	**120.96**	**4,002.02**	**162.08**

(I) **Impairment tests for goodwill**- Refer note 33

(ii) **Research and development expenditure** - Aggregate amount of research and development expenditure recognised as an expense during the year is Rs. 98.95 lakhs (March 31, 2016 : Nil).

(iii) **Intangible assets under development** - These include development of internally generated software to effectively manage IT operations.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

6 Financial Assets

a Non-current Investments

	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(i)	**Investment carried at FVOCI**			
	Investment in equity instruments - Quoted			
	100 (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in CFL Capital Financial Services Limited	0.02	0.02	0.02
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in CESC Limited	-	0.05	0.05
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in Harrisons Malayalam Limited	-	0.04	0.04
	Nil (March 31, 2016: Nil, April 1, 2015: 1,591) units of Rs. 0.45 each in Prudential Financial Common Stock	-	-	77.82
	Nil (March 31, 2016: Nil, April 1, 2015: 144) units of Rs. 2.20 each in Eastman Kodak Co	-	-	2.16
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in Saregama India Limited	-	0.01	0.01
	Nil (March 31, 2016: 100 , April 1, 2015: 100) Equity Shares of Rs. 10 each fully paid-up in Stel Holdings Limited	-	-	-
	Total	**0.02**	**0.12**	**80.10**
	Investments in equity instruments - Unquoted			
	100 (March 31, 2016: 100, April 1, 2015: 100) Equity Shares of Rs. 9 (March 31, 2016: Rs. 9, April 1, 2015: Rs. 9) each fully paid-up in Spencer & Company Limited (consequent to the reduction in the paid up capital)	0.08	0.08	0.08
	Investments in equity instruments of subsidiary companies - Unquoted			
	1,000 (March 31, 2016 and April 1, 2015: 1,000) Equity Shares of Rs. 11,871.25 each fully paid-up in Aquila Technology Corporation	2,304.15	2,626.13	2,118.92
	Total	**2,304.23**	**2,626.21**	**2,119.00**
(ii)	**Investment carried at FVTPL**			
	Investments in Mutual Funds - Unquoted			
	1,51,415 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Birla Sun Life Cash Manager-Direct Plan-Growth Plan	614.79	-	-
	2,59,022 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Birla Sun Life Savings Fund - Growth Direct Plan	829.16	-	-
	1,15,580 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Birla Sun Life Treasury Optimizer Plan -Direct Plan-Growth Plan	243.12	-	-
	19,52,388 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Franklin India Low Duration Fund Direct -Growth Plan	364.99	-	-
	7,22,678 (March 31, 2016: Nil, April 1, 2015 : Nil) units of HDFC High Interest Fund-Direct Plan- Short term Plan Growth	241.18	-	-
	21,13,582 (March 31, 2016: Nil, April 1, 2015 : Nil) units of ICICI Prudential Ultra Short term -Direct- Growth Plan	361.68	-	-
	4,31,881 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of ICICI Prudential Saving Fund Direct Growth	1,087.41	-	-
	11,801 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of Kotak Low duration Fund Direct Growth	239.64	-	-
	54,14,976 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Kotak Treasury Advantage Fund-Direct Plan-Growth Plan	1,427.34	-	-
	7,43,959 (March 31, 2016: Nil, April 1, 2015 : Nil) units of L&T Short Term Oppurtunities fund- Direct Plan- Growth Plan	118.56	-	-
	17,164 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of Invesco Ultra Short term Fund Direct Growth	392.48	-	-
	5,93,718 (March 31, 2016: Nil, April 1, 2015 : Nil) units of UTI Short Term Income fund-Institutional Plan- Direct Plan-Growth Plan	120.66	-	-
	2,38,729 (March 31, 2016: Nil, April 1, 2015: Nil) units of JM Arbitrage Advantage Fund Annual Bonus option Bonus Units Payout	27.49	-	-
	54,528 (March 31, 2016: Nil, April 1, 2015 : Nil) units of UTI Treasury Advantage fund-Institutional Plan- Direct Plan-Growth Plan	1,229.82	-	-
	Total	**7,298.32**	**-**	**-**

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(All amounts in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Total Non Current Investments	**9,602.57**	**2,626.33**	**2,199.10**
Aggregate amount of quoted investments & market value there of	**0.02**	**0.12**	**80.10**
Aggregate amount of unquoted investments	**9,602.55**	**2,626.21**	**2,119.10**

b Current Investments

	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(i)	Unquoted Investments carried at FVTPL Investments in Mutual Funds - Unquoted			
	66,678 (March 31, 2016: Nil, April 1, 2015: 30,075) units of Axis Liquid Fund-Direct Plan-Growth Plan	1,202.35	-	466.49
	33,129 (March 31, 2016: Nil) units of Axis Treasury Advantage Fund- Direct Plan-Growth Plan	611.60	-	-
	Nil (March 31, 2016: 1,51,415, April 1, 2015: 1,51,415) units of Birla Sun Life Cash Manager-Direct Plan-Growth Plan	-	564.44	517.86
	51,549 (March 31, 2016: Nil, April 1, 2015: Nil) units of Birla Sun Life Floating Rate Fund Short Term- Direct Plan-Growth Plan	111.79	-	-
	95,873 (March 31, 2016: 2,59,022, April 1, 2015: 2,59,022) units of Birla Sun Life Savings Fund - Growth Direct Plan	306.90	761.05	698.38
	Nil (March 31, 2016: 1,15,580, April 1, 2015: 1,15,580) units of Birla Sun Life Treasury Optimizer Plan -Direct Plan-Growth Plan	-	219.62	201.64
	59,56,180 (March 31, 2016 : 27,31,076, April 1, 2015 : Nil) units of DSP BlackRock Ultra Short Term Fund - Growth Direct plan	709.24	300.01	-
	9,026 (March 31, 2016 : Nil, April 1, 2015 : Nil) units of DSP BlackRock Liquidity Fund - Growth Direct plan	209.93	-	-
	Nil (March 31, 2016: 19,52,388, April 1, 2015: 19,52,388) units of Franklin India Low Duration Fund Direct -Growth Plan	-	330.17	301.71
	19,79,125 (March 31, 2016: Nil, April 1, 2015 : Nil) HDFC Arbitrage Fund Wholesale Plan Normal Dividend Direct Plan	212.66	-	-
	7,972 (March 31, 2016: Nil, April 1, 2015 : Nil) HDFC Liquid Fund Direct Plan Growth	255.82	-	-
	Nil (March 31, 2016: 7,22,678, April 1, 2015: 7,22,678) units of HDFC High Interest Fund-Direct Plan- Short term Plan Growth	-	217.66	201.51
	Nil (March 31, 2016: 21,13,582, April 1, 2015: 21,13,582) units of ICICI Prudential Ultra Short term -Direct- Growth Plan	-	329.85	302.56
	14,72,774 (March 31, 2016: Nil, April 1, 2015 : Nil) units of ICICI Prudential Equity Arbitrage Fund Direct Dividend - Direct Plan	214.83	-	-
	5,11,123 (March 31, 2016: Nil, April 1, 2015: 33,987) units of ICICI Prudential Money Market Fund- Direct Plan-Growth Plan	1,150.15	-	65.76
	1,19,192 (March 31, 2016 : 4,31,881, April 1, 2015 : Nil) units of ICICI Prudential Saving Fund Direct Growth	300.11	990.11	-
	16,93,302 (March 31, 2016: Nil, April 1, 2015 : Nil) units of IDFC Arbitrage Fund Dividend Payout Direct Plan	220.35	-	-
	41,236 (March 31, 2016: Nil, April 1, 2015 : Nil) units of IDFC Cash Fund - Direct Plan Growth	814.72	-	-
	Nil (March 31, 2016: 2,38,729, April 1, 2015: Nil) units of JM Arbitrage Advantage Fund Annual Bonus option Bonus Units Payout	-	25.69	-
	29,19,605 (March 31, 2016: Nil, April 1, 2015 : Nil) units of JM Arbitrage Advantage Fund Monthly Dividend - Direct Plan	351.93	-	-
	10,66,583 (March 31, 2016: Nil, April 1, 2015 : Nil) units of JM High Liquidity Fund - Direct Plan Growth	474.78	-	-
	2,94,844 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Kotak Equity Arbitrage Fund Fortnightly Dividend - Direct Plan	70.07	-	-
	62,017 (March 31, 2016: 20,128, April 1, 2015: 15,352) units of Kotak Floater Short Term-Direct Plan-Growth Plan	1,655.46	500.00	352.39
	Nil (March 31, 2016 : 11,801, April 1, 2015 : Nil) units of Kotak Low duration Fund Direct Growth	-	218.54	-
	Nil (March 31, 2016: 55,77,472, April 1, 2015: 4,51,046) units of Kotak Treasury Advantage Fund-Direct Plan-Growth Plan	-	1,358.49	100.96
	Nil (March 31, 2016: 7,43,959, April 1, 2015: 7,43,959) units of L&T Short Term Oppurtunities fund- Direct Plan- Growth Plan	-	108.90	100.50

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as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

Current Investments (Contd.)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted Investments carried at FVPL Investments in Mutual Funds			
48,836 (March 31, 2016: Nil, April 1, 2015: 39,271) units of L&T Liquid fund-Direct Plan-Growth Plan	1,089.07	-	753.47
98,81,779 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Reliance Banking & PSU Debt Fund - Direct Plan Growth	1,169.20	-	-
25,213 (March 31, 2016: Nil, April 1, 2015: 20,955) units of Reliance Liquid Fund -Treasury Plan- Direct Plan-Growth Plan	1,000.30	-	714.84
29,420 (March 31, 2016 : 17,164, April 1, 2015 : Nil) units of Invesco Ultra Short term Fund Direct Growth	672.70	361.78	-
2,236 (March 31, 2016 : 23,997, April 1, 2015 : Nil) units of Invesco Liquid Fund Direct Plan - Growth	50.05	500.37	-
7,16,882 (March 31, 2016: Nil, April 1, 2015 : Nil) units of SBI Arbitrage Opportunities Fund - Direct Plan Dividend Payout	101.52	-	-
14,854 (March 31, 2016: Nil, April 1, 2015 : Nil) units of SBI Premier Liquid Fund - Direct Plan Growth	379.12	-	-
47,123 (March 31, 2016: 38,690, April 1, 2015: 16,844) units of Tata Floater fund-Direct Plan-Growth Plan	1,169.37	885.52	354.77
2,459 (March 31, 2016: Nil, April 1, 2015 : Nil) units of Tata Money Market Fund - Direct Plan Growth	63.03	-	-
2,819 (March 31, 2016: Nil, April 1, 2015 : Nil) units of UTI Liquid Cash Plan - Direct Plan Growth	100.08	-	-
Nil (March 31, 2016: 5,93,718, April 1, 2015: 5,93,718) units of UTI Short Term Income fund-Institutional Plan- Direct Plan-Growth Plan	-	109.42	100.78
Nil (March 31, 2016: 54,528, April 1, 2015: 28,897) units of UTI Treasury Advantage fund-Institutional Plan- Direct Plan-Growth Plan	-	1,130.92	550.05
Nil (March 31, 2016: Nil, April 1, 2015: 2,28,340) units of ICICI Prudential Flexible Income - Direct Plan Growth	-	-	601.77
Nil (March 31, 2016: 37,37,312, April 1, 2015 : Nil) units of Franklin India Ultra short bond fund super institutional plan Growth Direct	-	761.32	-
Nil (March 31, 2016: Nil, April 1, 2015: 4,54,498) units of IDFC Money Manager Fund- Treasury Plan- Growth Direct Plan	-	-	100.84
Nil (March 31, 2016: Nil, April 1, 2015: 5,13,576) units of IDFC Ultra Short Term Fund -Growth- Direct Plan	-	-	100.61
Nil (March 31, 2016 : 19,932, April 1, 2015 : Nil) units of SBI Magnum Insta Cash Fund Direct Plan Growth	-	500.51	-
Nil (March 31, 2016: 23,813, April 1, 2015: 9,379) units of Reliance Money Manager Fund-Direct-Growth Plan growth option	-	500.00	181.07
Nil (March 31, 2016: Nil, April 1, 2015: 4,213) units of SBI Magnum Insta Cash Fund Liquid Floater-Direct Plan -Growth	-	-	100.84
Nil (March 31, 2016: Nil, April 1, 2015:19,610) units of Axis Banking Debt Fund- Direct -Growth	-	-	251.76
Nil (March 31, 2016: Nil, April 1, 2015: 1,89,978) units of Birla Sun Life Cash Plus Fund - Direct Plan- Growth Plan	-	-	426.68
Nil (March 31, 2016: Nil, April 1, 2015: 18,269) units of LIC Nomura MF Liquid Fund -Direct Plan-Growth Plan	-	-	463.28
Nil (March 31, 2016: Nil, April 1, 2015: 61,88,018) units of Kotak Floater Long Term-Direct Plan-Daily Dividend-Reinvestment	-	-	623.74
Nil (March 31, 2016: Nil, April 1, 2015: 12,11,980) units of Sundaram Money Fund Direct Plan-Growth Plan	-	-	357.74
Nil (March 31, 2016: 3,45,392, April 1, 2015: 3,45,392) units of Reliance Medium Term Fund Direct Plan- Growth Plan	-	109.61	100.58
Nil (March 31, 2016: Nil, April 1, 2015: 9,08,917) units of UTI Banking & PSU Debt Fund-Direct Plan-Growth Plan	-	-	100.86
Nil (March 31, 2016: Nil, April 1, 2015: 12,992) units of SBI Treasury Advantage Fund Direct Plan-Growth Plan	-	-	202.76
Nil (March 31, 2016: Nil, April 1, 2015: 8,903) units of L&T Cash Fund-Direct Plan-Growth Plan	-	-	100.89
Total	**14,667.13**	**10,783.98**	**9,497.09**
Total Current Investments	**14,667.13**	**10,783.98**	**9,497.09**
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	14,667.13	10,783.98	9,497.09

c Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Considered good	53,267.06	54,002.93	44,828.45
Considered doubtful	4,916.12	3,506.61	2,004.04
	58,183.18	57,509.54	46,832.49
Less: allowance for credit losses	4,916.12	3,506.61	2,004.04
Total receivables	**53,267.06**	**54,002.93**	**44,828.45**
Current portion	**53,267.06**	**54,002.93**	**44,828.45**

(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. 26.26 lakhs (March 31, 2016 - Rs. 25.75 lakhs) (Refer note 32)

d Other non - current financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Security deposits	1,485.69	1,121.89	1,224.47
Others	-	54.64	191.30
Total	**1,485.69**	**1,176.53**	**1,415.77**

e Other current financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Foreign exchange forward contracts	1,543.73	833.32	367.81
Security deposits	273.52	140.65	161.50
Interest accrued on deposits	8.44	8.44	8.42
Others	-	71.87	60.18
Total	**1,825.69**	**1,054.28**	**597.91**

f Cash and cash equivalents

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with Banks :			
- In current accounts	31,217.21	26,099.29	17,735.76
- Deposits with original maturity of less than three months	1,486.41	1,380.26	1,236.20
Cash on hand	9.76	6.55	5.67
Total	**32,713.38**	**27,486.10**	**18,977.63**

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

7 Deferred Tax Asset (net)

The components of deferred tax assets and liabilities are as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
The major components of the deferred tax asset are			
Property, plant and equipment	847.98	749.61	508.13
Allowances for doubtful trade receivables	1,398.93	1,875.72	708.23
Provision for expenses allowable on payment basis	2,639.31	2,055.09	1,826.22
Amortizable Goodwill	1,616.43	2,012.44	2,239.28
Tax Losses	121.07	-	-
Others	212.29	403.44	-
	6,836.01	**7,096.30**	**5,281.86**
The major components of the deferred tax liability are			
Investments at fair value through profit or loss	290.13	216.64	62.77
Fair value changes on cash flow hedges	534.28	288.42	125.02
Investments at fair value through OCI	448.94	563.13	387.53
Amortizable Goodwill	142.32	142.32	53.98
Provision for inventory	3,066.42	3,126.44	1,092.54
Others	615.59	599.60	483.38
	5,097.68	**4,936.55**	**2,205.22**
Net deferred tax asset / (liability)	**1,738.33**	**2,159.75**	**3,076.64**

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.

(i) Movement in deferred tax assets

	Property, plant and equipment	Allowances for doubtful trade receivables	Provision for expenses allowable on payment basis	Tax Losses	Goodwill	Others	Total
As at April 1, 2015	508.13	708.23	1,826.22	-	2,239.28	-	**5,281.86**
(Charged)/credited:							
- to statement of profit and loss	241.48	1,167.49	228.86	-	(226.83)	403.44	**1,814.44**
- to other comprehensive income	-	-	-	-	-	-	**-**
As at March 31, 2016	**749.61**	**1,875.72**	**2,055.09**	**-**	**2,012.44**	**403.44**	**7,096.30**
(Charged)/credited:							
- to statement of profit and loss	98.37	(476.79)	584.23	121.07	(396.02)	(191.15)	**(260.29)**
- to other comprehensive income	-	-	-	-	-	-	**-**
As at March 31, 2017	**847.98**	**1,398.93**	**2,639.31**	**121.07**	**1,616.43**	**212.29**	**6,836.01**

(ii) Movement in deferred tax liabilities

	Investments at fair value through profit and loss	Fair value changes on cash flow hedges	Investments at fair value through OCI	Amortizable Goodwill	Provision for inventory	Others	Total
As at April 1, 2015	62.77	125.02	387.53	53.98	1,092.54	483.38	**2,205.22**
Charged/(credited):							
- to statement of profit and loss	153.87	-	-	88.34	2,033.91	116.22	**2,392.34**
- to other comprehensive income	-	163.40	175.60	-	-	-	**339.00**
As at March 31, 2016	**216.64**	**288.42**	**563.13**	**142.32**	**3,126.45**	**599.60**	**4,936.56**
Charged/(credited):							
- to statement of profit and loss	73.49	-	-	-	(60.03)	15.99	**29.45**
- to other comprehensive income	-	245.86	(114.19)	-	-	-	**131.67**
As at March 31, 2017	**290.13**	**534.28**	**448.94**	**142.32**	**3,066.42**	**615.59**	**5,097.68**

Balances of deferred tax assets (net) as on the reporting dates includes the effect of changes in foreign exchange rates on deferred tax balances of foreign subsidiaries, considered in Foreign Currency Transalation Reserve (FCTR).

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

8 Other non current assets

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Prepaid expenses	279.06	334.28	285.90
Balances with Government Authorities	-	-	263.90
Deferred expenses	-	19.16	60.14
Advances to employees	848.35	805.67	-
Total	**1,127.41**	**1,159.11**	**609.94**

9 Inventories

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Spare parts in support of computer hardware maintenance contracts [Goods in transit Rs.66.45 lakhs (March 31, 2016 :Rs.72.22 lakhs and April 1, 2015: Rs. 292.03 lakhs)]	11,267.41	12,586.66	12,262.25
	11,267.41	**12,586.66**	**12,262.25**

Amounts recognised in profit or loss:

Write-downs of inventories to net realisable value amounted to Rs. 2,264.12 lakhs (March 31, 2016 Rs. 1,352.70 lakhs). These were recognised as an expense during the year and included in '(increase) / decrease in inventories' in statement of profit and loss.

10 Other Current assets

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Advances other than capital advances:			
- advances to employees	768.89	1,254.39	542.86
- advances to suppliers	1,734.42	2,864.49	2,122.74
Others:			
- Prepaid expenses	3,029.81	1,932.55	1,822.05
- Lease prepayments	271.38	423.85	566.36
- Statutory receivables	1,507.23	1,473.75	1,089.94
- Deferred expenses	428.33	889.98	1,353.09
-Others	115.69	140.60	103.71
Total	**7,855.75**	**8,979.61**	**7,600.75**

11(a) (i) Equity Share capital

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Authorised:			
4,75,00,000 equity shares of Rs. 10 each	4,750	4,750	4,750
(4,75,00,000 and 4,75,00,000 shares of Rs. 10 each at March 31, 2016 and April 1, 2015 respectively)			
2,50,000 preference shares of Rs. 100 each	250	250	250
(2,50,000 and 250,000 shares of Rs. 100 each at March 31, 2016 and April 1, 2015 respectively)			
Total	**5,000.00**	**5,000.00**	**5,000.00**
Issued, subscribed and Paid up :			
4,48,73,638 equity shares of Rs. 10 each	4,487.36	4,463.14	4,432.68
(4,46,31,428 and 4,43,26,774 shares of Rs. 10 each at March 31, 2016 and April 1, 2015 respectively)			
Total	**4,487.36**	**4,463.14**	**4,432.68**

(ii) Reconciliation of the shares outstanding as at the beginning and at the end of the year:

Particulars	March 31, 2017		March 31, 2016	
	Nos	Rs. In lakhs	Nos	Rs. In lakhs
At the beginning of the year	446,31,428	4,463.14	443,26,774	4,432.68
Add: Shares issued on exercise of Employee Stock Options	2,42,210	24.22	3,04,654	30.46
Outstanding at the end of the year	448,73,638	4,487.36	446,31,428	4,463.14

(iii) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 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 board of directors in their meeting on January 24, 2017 declared an interim dividend of Rs. 5.00 per equity share. The total dividend appropriation for the year ended March 31, 2017 amounted to Rs. 2,610.27 lakhs including corporate dividend tax of Rs. 368.73 lakhs.

(iv) Details of shareholders holding more than 5% of the aggregate shares in the company

Name of shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	%	No. of shares	%	No. of shares	%	No. of shares
Electra Partners Mauritius Limited*	-	-	-	-	23.24%	103,01,294
Marina Holdco (FPI) Ltd.*	22.96%	103,01,294	23.08%	103,01,294	-	-
Summit Securities Limited	10.96%	49,17,698	11.01%	49,13,576	10.75%	47,63,576
Fidelity Management and ResearchCompany	-	-	7.84%	35,00,000	7.90%	35,00,000
Swallow Associates LLP	26.99%	121,10,188	27.07%	120,82,997	27.26%	120,82,997
Amansa Holdings Private Limited	6.47%	29,01,855	-	-	-	-
Instant Holdings Limited	7.56%	33,93,440	7.35%	32,78,919	7.24%	32,06,819

* On October 9, 2015, Marina Holdco (FPI) Ltd acquired 1,03,01,294 equity shares of the Company from Electra Partners Mauritius Limited.

(v) 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, 2017 -Nil

(vi) For details of shares reserved for Issue under the Employee Stock Option Plan (ESOP) of the Company, refer note 36

11 (b) Reserves and surplus:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital redemption reserve	442.40	442.40	442.40
Share based payment reserve	1,833.61	868.29	472.72
Retained earnings	52,701.97	42,481.19	37,363.79
Capital reserve	292.96	292.96	292.96
Securities premium reserve	2,036.65	1,565.16	1,151.74
General reserve	84,630.61	74,617.87	60,608.23
Special economic zone re-investment reserve	180.00	-	-
Total reserves and surplus	**1,42,118.20**	**1,20,267.87**	**1,00,331.84**

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as at and for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

Movement of Reserves and surplus

Particulars	March 31, 2017	March 31, 2016
Capital redemption reserve		
Balance at the beginning and end of the year	442.40	442.40
Share based payment reserve		
Opening balance	868.29	472.72
Add: Compensation cost related to employee share-based payment	1,013.60	412.17
Less: Transfer to general reserve upon cancellation/lapse	12.74	9.64
Less: Transfer to securities premium on exercise of stock options during the year	35.54	6.96
Balance as at the end of the year	**1,833.61**	**868.29**
Retained earnings		
Balance as at the beginning of the year	42,481.19	37,363.79
Add: Profit for the year	23,486.50	28,955.26
Add / (less) items of other comprehensive income recognised directly in retained earnings:		
- remeasurements of post employment benefit obligation, net of tax	(475.45)	(145.62)
Less: Dividends	2,610.27	9,692.24
Less: Transfer to General Reserve	10,000.00	14,000.00
Less: Transfer to Special Economic Zone Re-investment Reserve	180.00	-
Balance as at the end of the year	**52,701.97**	**42,481.19**
Capital reserve		
Balance at the beginning and end of the year	292.96	292.96
Securities premium account		
Balance as at the beginning of the year	1,565.16	1,151.74
Add: Received during the year on exercise of stock options issued to employees	471.49	413.42
Balance as at the end of the year	**2,036.65**	**1,565.16**
General reserve		
Balance as at the beginning of the year	74,617.87	60,608.23
Add: Transfer to general reserve upon cancellation/lapse	12.74	9.64
Add : Transferred from Retained earnings	10,000.00	14,000.00
Balance as at the end of the year	**84,630.61**	**74,617.87**
Special economic zone re-investment reserve		
Balance as at the beginning of the year	-	-
Add: Transfer from retained earnings	180.00	-
Less: Transfer to retained earnings on utilization	-	-
Balance as at the end of the year	**180.00**	**-**

11 (c) Other components of equity:

Particulars	Notes	Cash flow hedging reserve	FVOCI- equity investments	Foreign currency translation reserve	Total
As at April 1, 2015		242.79	418.79	-	661.58
Change in fair value of hedging instruments		465.50	-	-	465.50
Change in fair value of equity instruments		-	381.49	-	381.49
Currency translation adjustments		-	-	311.16	311.16
Tax impact	7	(163.40)	(151.10)	275.08	(39.42)
As at March 31, 2016		**544.89**	**649.18**	**586.24**	**1,780.31**
Change in fair value of hedging instruments		710.42	-	-	710.42
Change in fair value of equity instruments		-	(258.38)	-	(258.38)
Currency translation adjustments		-	-	(1,481.08)	(1,481.08)
Tax impact	7	(245.86)	104.15	(166.01)	(307.72)
As at March 31, 2017		**1,009.45**	**494.95**	**(1,060.85)**	**443.55**

11 (d) Nature and purpose of each reserve within equity:

(i) Capital redemption reserve:

The reserve has been created out of general reserve, being the nominal value of shares bought back. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share based payment reserve:

The share options outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to share capital and share premium upon exercise of stock options by employees.

(iii) Retained earnings:

Retained earnings comprises of the Company's undistributed earnings after taxes.

(iv) Securities premium reserve:

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(v) 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 and loss when the hedged item affects profit and loss.

(vi) FVOCI- equity investments:

The Company has elected to recognise 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.

(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 and loss when the net investment is disposed off.

(viii) Special economic zone re-investment reserve:

The Special Economic Zone Re-investment Reserve has been created out of profit of eligible SEZ units in terms of 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.

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as at and for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

12 (a)Borrowings

Particulars	Maturity date	Terms of repayment	Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
Non current borrowings						
Long term maturities of finance lease obligations						
- Obligations under finance leases (Secured)	December' 17 to April'19	Monthly installments	3-5%	198.12	197.06	340.58
Total non current borrowings				**198.12**	**197.06**	**340.58**
Less: Current maturities of finance lease obligations (included in note 12(b))				52.00	119.61	191.09
Less: Interest accrued (included in note 12(b))				-	-	-
Non-current borrowings (as per balance sheet)				**146.12**	**77.45**	**149.49**
Current Borrowings						
- From Banks (Secured)	Repayment on or before maturity	Less than 6 months USD 1.25 Mn 26th Apr 17 USD 1.00 Mn 28th June 17	LIBOR + 30 bps	12,908.61	14,732.34	9,749.93
Total Current borrowings				**12,908.61**	**14,732.34**	**9,749.93**
Less: Interest accrued (included in note 12(b))				0.13	0.86	34.06
Current borrowings (as per balance sheet)				**12,908.48**	**14,731.48**	**9,715.87**

Non current borrowings

Nature of security : Hypothecation of assets underlying the leases.

Current borrowings

Nature of security : i) Against hypothecation of assets at Kharadi campus ii) Senior Secured Commited Revolving Line of Credit.

12 (b)Other financial liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Share Buy back liability	1,207.30	980.46	1,501.16
Contingent consideration (Refer note 40 (c))	2,450.85	-	-
Total other non current financial liabilities	**3,658.15**	**980.46**	**1,501.16**
Current			
Current maturities of finance lease obligations	52.00	119.61	7,691.69
Current maturities of long term debt	-	-	7,500.60
Interest accrued	0.13	0.86	34.06
Unpaid dividends	196.31	208.37	124.76
Others			
- Capital creditors	207.02	326.90	138.11
- Employee dues	6,284.89	8,118.55	5,024.67
- Director's commission	259.19	328.67	256.71
- Book overdrafts	177.86	-	-
- Other	828.39	1,017.74	927.56
Total other current financial liabilities	**8,005.79**	**10,120.70**	**14,197.56**

13 Trade Payables

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade Payables	17,733.51	16,573.20	12,931.89
Total	**17,733.51**	**16,573.20**	**12,931.89**

14 Non-current provisions

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Other Provisions			
- Disputed statutory matters	27.25	27.25	27.25
- Provision for Contingencies	70.02	63.92	63.50
	97.27	**91.17**	**90.75**

15 Current provisions

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Other Provisions			
- Disputed statutory matters	-	220.00	-
- Others	-	-	5.39
Total	**-**	**220.00**	**5.39**

(i) Information about individual provisions

Disputed statutory matters:

(a) Provision for disputed statutory liabilities comprises matters under litigation with Sales-Tax and Customs & Service Tax authorities.

(b) The amount of provisions made by the Company is based on the estimates made by the Management considering the facts and circumstances of each case. To the extent the Company is confident that it has a strong case, that portion is disclosed under contingent liabilities.

(c) The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

For other matters:

It mainly include provisions for rent related litigations with previous landlords. The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

(ii) Movements in provisions

Movements in each class of provisions during the financial year, are set out below

	Disputed statutory matters	Contingencies	Total provisions
As at April 1, 2016	**247.25**	**63.92**	**311.17**
Additional provisions recognised	7.47	11.67	**19.14**
Unused amounts reversed	-	5.57	**5.57**
Amounts used during the year	(227.47)	-	**(227.47)**
As at March 31, 2017	**27.25**	**70.02**	**97.27**

Note: The impact of discounting is considered to be not material.

16 Employee benefit obligtions

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Provision for compensated absences	3,594.85	3,604.89	3,716.90
Total	**3,594.85**	**3,604.89**	**3,716.90**
Current			
Provision for compensated absences	1,565.67	1,135.33	988.71
Provision for gratuity (i)	1,308.94	554.82	1,394.45
Total	**2,874.61**	**1,690.15**	**2,383.16**

(i) Defined benefit plans:

a **Gratuity** - The company provides for gratuity for employees in accordance with the gratuity scheme of the Company. All employees in continuous service for a period of 5 years are eligible for gratuity. 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 basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity fund is managed by the Life Insurance Corporation of India (LIC).

aa 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
April 1, 2015	**4,636.76**	**(3,242.31)**	**1,394.45**
Current service cost	1,012.41	-	1,012.41
Interest expense / (income)	367.23	(256.79)	110.44
Total amount recognised in profit and loss	**1,379.64**	**(256.79)**	**1,122.85**
Remeasurements			
Return on plan assets	-	(114.79)	(114.79)
(Gain) / loss from change in financial assumptions	49.40	-	49.40
Experience (gains) / losses	288.08	-	288.08
Total amount recognised in OCI	**337.48**	**(114.79)**	**222.69**
Contributions - employer	-	(1,814.38)	(1,814.38)
Benefit payments	(370.79)		(370.79)
March 31, 2016	**5,983.09**	**(5,428.27)**	**554.82**
Current service cost	**1,165.15**	-	1,165.15
Interest expense / (income)	470.27	(426.66)	43.61
Total amount recognised in profit and loss	**1,635.42**	**(426.66)**	**1,208.76**
Remeasurements			
Return on plan assets	-	4.27	4.27
(Gain) / loss from change in financial assumptions	606.94	-	606.94
Experience (gains) / losses	115.87	-	115.87
Total amount recognised in OCI	**722.81**	**4.27**	**727.08**
Contributions - employer	-	(554.82)	(554.82)
Benefit payments	(626.90)	-	(626.90)
March 31, 2017	**7,714.42**	**(6,405.48)**	**1,308.94**

The net liability disclosed above relates to funded plans. The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional contribution. The Group intends to contribute in line with the recommendations of the fund administrator and the actuary.

ab The net liability disclosed above relates to funded plans are as follows:

Plan type	March 31, 2017	March 31, 2016	April 1, 2015
Present value of obligation	7,714.43	5,983.09	4,636.76
Fair value of plan assets	(6,405.48)	(5,428.27)	(3,242.31)
Total liability	**1,308.95**	**554.82**	**1,394.45**

ac As at April 1, 2015, March 31, 2016 and March 31, 2017, plan assets were primarily invested in insurer managed funds.

ad 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.

ae The Group expects to contribute Rs. 1,936.42 lakhs to the defined benefit plan during the next annual reporting period.

af

Estimated benefit payments from the fund for year ending	Amount
March 31, 2018	151.31
March 31, 2019	148.27
March 31, 2020	154.66
March 31, 2021	232.81
March 31, 2022	352.35
Thereafter	3,297.34
Total	**4,336.74**

The expected benefits are based on the same assumptions used to measure the Group's benefit obligations as of March 31, 2017.

b **Provident fund :** The Group makes contribution towards provident fund which is administered by the trustees. The contributions to the trust managed by the Company 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 as provided under Para 60 of the Employees Provident Fund Scheme, 1972. The Group has obtained an actuarial valuation of the liability according to which there is no deficit as at the Balance Sheet. The liability therefore is restricted to monthly contributions. The details of fund and plan assets are given below:

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

ba Present Value of Defined Benefit Obligation

	March 31, 2017	March 31, 2016	April 1, 2015
Balance as at the beginning of the year	**20,930.89**	**17,100.00**	**14,134.00**
Interest cost	1,694.00	1,444.78	1,141.00
Current service cost	1,338.53	1,116.47	1,828.00
Employee contribution	2,452.55	2,152.70	1,043.00
Liability transferred in	1,608.67	1,093.57	479.00
Liability transferred out	-	-	-
Benefit paid	(3,158.17)	(1,976.63)	(1,525.00)
Actuarial (gains)/losses	-	-	-
Balance as at the end of the year	**24,866.47**	**20,930.89**	**17,100.00**

bb Fair value of Plan Assets (Restricted to the extent of Present Value of Obligation)

	March 31, 2017	March 31, 2016	April 1, 2015
Balance as at the beginning of the year	**21,224.88**	**17,276.00**	**14,134.00**
Expected return on plan assets	1,694.00	1,444.78	1,141.00
Contributions by the Company	3,791.08	3,269.17	2,872.00
Transfer from other Company	1,608.67	1,093.57	479.00
Transfer to other Company	-	-	-
Benefit paid	(3,158.17)	(1,976.63)	(1,525.00)
Actuarial gains/(losses)	108.09	117.99	175.00
Balance as at the end of the year	**25,268.55**	**21,224.88**	**17,276.00**

bc

	March 31, 2017	March 31, 2016	April 1, 2015
Assets and Liabilities recognised in the Balance Sheet	**-**	**-**	**-**

bd Expenses recognised in the Statement of Profit and Loss

	March 31, 2017	March 31, 2016	April 1, 2015
Current service cost	1,338.53	1,116.47	1,828.00
Interest cost	1,694.00	1,444.78	1,141.00
Expected return on plan assets	(1,694.00)	(1,444.78)	(1,141.00)
Surplus utilised	-	-	-
Interest shortfall	-	-	-
Total expenses recognised in the statement of profit and loss	1,338.53	1,116.47	1,828.00

be As at March 31, 2017, March 31, 2016 and April 1,2015, the plan assets have been primarily invested in securities of Central Government of India, State Government and Bonds.

bf The principal assumptions used for the purpose of actuarial valuation are as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
India			
Discount Rate *	7.27%	7.86%	7.92%
Expected Rate of Return on Plan Assets **	7.27%	7.86%	7.92%
Salary Escalation Rate ***	7.00%	7.00%	7.00%
Rate of Employee Turnover			
-For services 4 years and below	25.00%	25.00%	25.00%
-For services 5 years and above	1.00%	1.00%	1.00%

* 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 overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during 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.

bg Sensitivity analysis - the increase/ (decrease) in present value of defined benefit obligation to changes in principal assumptions:

Particulars	March 31, 2017	March 31, 2016
- 1% increase in discount rate	-12.87%	-12.66%
- 1% decrease in discount rate	15.42%	15.18%
- 1% increase in salary escalation rate rate	15.30%	15.16%
- 1% decrease in salary escalation rate rate	-13.01%	-12.87%
- 1% increase in rate of employee turnover	0.28%	1.08%
- 1% decrease in rate of employee turnover	-0.42%	-1.34%

The above sensitivity analyses 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 Group has recognised the following amounts in the Statement of Profit and Loss:

Particulars	March 31, 2017	March 31, 2016
Contribution to Employees' Family Pension Fund	785.59	834.29
Contribution to Employees' Superannuation Fund	81.06	41.83
Contribution to Employees' Social Security Fund	2,535.94	2,247.35
Contribution to Employees' 401(K) Fund	829.61	649.05
Contribution to Central Provident Fund in Singapore	36.04	30.29
Contribution to National Insurance of UK	392.34	912.29
Contribution to Medicare Fund	674.26	603.12
Contribution to Social Security China	8.75	51.71

17 Other Current liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Others			
- Employee contributions toward provident and pension fund	602.86	401.24	272.39
- Statutory taxes	1,119.42	910.07	749.85
- Others	555.55	868.87	748.26
Total	**2,277.83**	**2,180.18**	**1,770.50**

18(a) Income taxes

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets (net)	3,924.01	2,384.74	3,001.30
Income tax liabilities (net)	2,936.80	1,147.19	639.62
Net income tax assets / (liability)	**987.21**	**1,237.55**	**2,361.68**

18(b) Movement

The gross movement in the current income tax asset/ (liability) for the years ended March 31, 2017 and March 31, 2016 is as follows:

Particulars	March 31, 2017	March 31, 2016
Net current income tax asset / (liability) at the beginning	1,237.55	2,361.68
Income tax paid (net of refund)	10,238.31	10,460.41
Current income tax expense	(10,668.92)	(12,913.81)
Income tax relating to prior years	162.68	1,216.45
Income tax on other comprehensive income (refer note 26 (iii))	85.62	352.15
Addition due to acquisition	(118.53)	-
Translation difference	(22.52)	(204.76)
Others	73.02	(34.57)
Net current income tax asset / (liability) at the end	**987.21**	**1,237.55**

19 Revenue from operations

Particulars	March 31, 2017	March 31, 2016
Software development and allied services	2,83,337.07	2,68,810.35
Sale of licenses for software applications	7,196.15	7,434.48
Product Revenue	15,025.91	17,564.16
Other operating revenue		
- Provisions no longer required and credit balances written back (net)	235.91	1,102.68
- Miscellaneous Income	242.46	275.32
Total	**3,06,037.50**	**2,95,186.99**

20 Other income

Particulars	March 31, 2017	March 31, 2016
- On deposits with banks	247.21	194.82
- On income tax refund	-	138.27
- On others	27.34	23.06
Dividend Income		
- On investments measured at fair value through profit and loss	37.86	104.84
Other non-operating income (net of expenses directly attributable to such income)		
- Profit on sale of investments measured at fair value through and loss	480.85	306.93
- Profit on sale of fixed assets (net)	27.67	8.53
- Others	-	67.96
Total	**820.93**	**844.41**

21 Other gains / (losses) - net

Particulars	March 31, 2017	March 31, 2016
Net gain on financial assets mandatorily measured at fair value through profit and loss	915.78	444.12
Fair value gain/(losses) on share buyback liability	(158.61)	352.98
Net foreign exchange gain	206.87	3,609.98
Interest on security deposits	142.92	132.87
Total	**1,106.96**	**4,539.95**

22 Employee benefits expense

Particulars	March 31, 2017	March 31, 2016
Salaries and wages	1,41,533.73	1,30,548.61
Contribution to provident and other funds	8,277.75	8,128.99
Employee share-based payment expense	1,013.60	414.69
Staff welfare expenses	7,182.03	6,638.66
Total	**1,58,007.11**	**1,45,730.95**

23 Depreciation and amortisation expense

Particulars	March 31, 2017	March 31, 2016
Depreciation - Property, plant and equipment	2,648.86	2,576.89
Amortization of intangible assets	2,208.59	3,932.64
Total	**4,857.45**	**6,509.53**

24 Other expenses

Particulars	March 31, 2017	March 31, 2016
Travelling and conveyance	10,019.59	10,875.40
Cost of spare parts and outsourced services in support of computer hardware maintenance contracts	5,365.11	6,537.81
Recruitment expenses	1,122.07	651.42
Training expenses	660.70	467.66
Electricity and power	1,462.28	1,371.86
Rent	7,317.50	6,541.53
Repairs and maintenance to :		
-Plant and machinery	329.12	318.39
-Building	1,195.23	1,523.65
-Others	681.43	666.38
Insurance	1,454.67	1,402.78
Rates and taxes	955.28	560.05
Consumable media	931.58	838.86
Legal and professional charges	5,531.55	4,150.09
Postage, telephone and e-mail	2,595.36	2,375.89
Printing and stationery	195.35	225.88
Carriage, freight and octroi	1,613.42	2,161.82
Vehicle running expenses	267.57	276.08
Advertisement and publicity	1,251.17	1,508.31
Bad debts written off	790.14	242.26
Directors' fees	63.72	45.18
Directors' commission	259.19	328.67
Allowance for doubtful debts	2,473.01	3,316.14
Expenditure towards Corporate social responsibility (CSR) (See note 24 (a))	558.79	461.82
Miscellaneous expenses	2,901.75	2,215.18
Total	**49,995.58**	**49,063.11**

24(a) Corporate social responsibility expenditure

Particulars	March 31, 2017	March 31, 2016
Gross amount required to be spent by the Company during the year	574.00	467.00
Total	**574.00**	**467.00**

Amount spent during the year on	In cash	
	March 31, 2017	March 31, 2016
a. Construction/ acquisition of any asset	-	-
b. On purposes other than (a) above	558.79	461.82
Total	**558.79**	**461.82**

25 Finance Costs

Particulars	March 31, 2017	March 31, 2016
Interest on loans	262.11	330.43
Interest on others	20.54	52.07
Bank charges	594.28	683.55
Total	**876.93**	**1,066.05**

26 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)

Particulars	March 31, 2017	March 31, 2016
Income tax expense		
Current Tax on profits for the year	10,668.92	12,913.81
Current Tax adjustments for prior periods	(162.68)	(1,216.45)
Total current tax expense	**10,506.24**	**11,697.37**
Deferred tax		
Decrease / (increase) in deferred tax assets	414.74	(1,556.44)
(Decrease) / increase in deferred tax liabilities	104.50	2,316.21
Total deferred tax expense / (benefit)	**519.24**	**759.77**
	11,025.48	**12,457.14**

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 commencement 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 a further five year subject to certain of a 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) The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	March 31, 2017	March 31, 2016
Profit before taxes	34,862.33	41,687.43
Enacted Income tax rate in India	34.61%	34.61%
Computed expected tax expenses	**12,065.85**	**14,428.02**
Effect of Income exempt from tax	(1,346.18)	(1,908.74)
Effect of non deductible expenses	781.28	717.41
Changes in unrecognized deferred tax assets (net)	188.78	(120.82)
Income taxed at higher/(lower) rates	(156.82)	(90.87)
Income tax relating to prior years	(162.68)	(1,216.45)
Difference in overseas tax rates	(332.42)	579.83
Others items	(12.33)	68.76
	11,025.48	**12,457.14**

(iii) Amounts recognised in OCI

Particulars	March 31, 2017		March 31, 2016	
OCI				
- on fair value gains on cash flow hedge recognised in OCI	-	(245.86)	-	(163.40)
- on remeasurements of post employment benefit obligations	251.63	-	77.07	-
- on translation of foreign operations	(166.01)	-	275.08	-
- change in fair value of equity instruments	-	104.15	-	(151.10)
Total	**85.62**	**(141.71)**	**352.15**	**(314.50)**

(iv) Tax losses

Particulars	March 31, 2017	March 31, 2016
Unused tax losses on which no deferred tax asset has been recognised	524.73	-
Potential tax benefit @ 23.07%	121.07	-

Deferred tax asset was not recognised due to absence of reasonable certainity of taxable capital profits to utilize this deferred tax asset.

(v) Changes in tax rate

The applicable Indian statutory tax rate for the financial year 2016-17 and financial year 2015-16 is 34.61%

27 Fair value measurements

Financial instruments by category:

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments:									
- equity instruments	-	2,304.25	-	-	2,626.33	-	-	2,199.10	-
- mutual funds	21,965.45	-	-	10,783.98	-	-	9,497.09	-	-
Trade receivables	-	-	53,267.06	-	-	54,002.93	-	-	44,828.45
Cash and cash equivalents	-	-	32,713.38	-	-	27,486.10	-	-	18,977.63
Other bank balances	-	-	196.34	-	-	208.37	-	-	124.75
Derivative financial assets	-	1,543.73	-	-	833.32	-	-	367.81	-
Security deposits	-	-	1,759.21	-	-	1,262.54	-	-	1,385.97
Unbilled revenues	-	-	25,530.00	-	-	23,506.91	-	-	16,828.77
Others	-	-	8.44	-	-	134.95	-	-	259.90
Total financial assets	**21,965.45**	**3,847.98**	**1,13,474.43**	**10,783.98**	**3,459.65**	**1,06,601.80**	**9,497.09**	**2,566.91**	**82,405.47**
Borrowings	-	-	13,106.60	-	-	14,928.54	-	-	10,056.45
Trade payables	-	-	17,733.51	-	-	16,573.20	-	-	12,931.89
Capital creditors	-	-	207.02	-	-	326.90	-	-	138.11
Contingent consideration	2,450.85	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	7,746.64	-	-	9,674.19	-	-	13,868.36
Total financial liabilities	**2,450.85**	**-**	**38,793.90**	**-**	**-**	**41,502.83**	**-**	**-**	**36,994.81**

(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, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Mutual funds	6(a),(b)	21,965.45	-	-	21,965.45
Financial investments at FVOCI					
Equity instruments	6(a)	0.02	-	2,304.23	2,304.25
Derivatives designated as hedges					
Foreign exchange forward contracts	6(e)	-	1,543.73	-	1,543.73
Total financial assets		**21,965.47**	**1,543.73**	**2,304.23**	**25,813.43**
Financial liabilities					
Contingent consideration	12(b)		-	2,450.85	2,450.85
Total financial liability		**-**	**-**	**2,450.85**	**2,450.85**

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Mutual funds	6(a), (b)	10,783.98	-	-	10,783.98
Financial investments at FVOCI					
Equity instruments	6(a)	0.12	-	2,626.21	2,626.33
Derivatives designated as hedges					
Foreign exchange forward contracts	6(e)	-	833.32	-	833.32
Total financial assets		**10,784.10**	**833.32**	**2,626.21**	**14,243.63**

Financial assets and liabilities measured at fair value - recurring fair value measurements At April 1, 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Mutual funds	6(a), (b)	9,497.09	-	-	9,497.09
Financial investments at FVOCI					
Equity instruments	6(a)	80.10	-	2,119.00	2,199.10
Derivatives designated as hedges					
Foreign exchange forward contracts	6(e)	-	367.81	-	367.81
Total financial assets		**9,577.19**	**367.81**	**2,119.00**	**12,064.00**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds 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) 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, 2017 and March 31, 2016

	Unlisted Equity Securities	Contingent Consideration
As at April 1, 2015	**2,119.00**	**-**
Fair value gain/(losses) recognized in other comprehensive income	381.49	-
FCTR gain/(losses) recognized in other comprehensive income	125.72	-
As at March 31, 2016	**2,626.21**	**-**
Acqustions/(Disposal)		2,450.85
Fair value gain/(losses) recognized in other comprehensive income	(258.38)	-
FCTR gain/(losses) recognized in other comprehensive income	(63.60)	-
As at March 31, 2017	**2,304.23**	**2,450.85**

(All amounts in INR Lakhs, unless otherwise stated)

(iii) Valuation inputs and relationships to fair value

Particulars	Fair value as at			Significant unobservable inputs	Probability-weighted range			Sensitivity
	March 31, 2017	March 31, 2016	April 1, 2015		March 31, 2017	March 31, 2016	April 1, 2015	
Unquoted equity shares	2,304.15	2,626.13	2,118.92	Earnings growth rate (CAGR)	10.00%	11.87%	14.15%	2017: Increasing/decreasing the earnings growth factor by 100bps would increase/decrease the FV by Rs. 240.81 lakhs 2016: Increasing/decreasing the earnings growth factor by 100bps would increase/decrease theFV by Rs. 141.32 lakhs 2015: Increasing/decreasing the earnings growth factor by 100bps would increase/decrease theFV by Rs. 80.70 lakhs
				Risk adjusted discount rate	11.16%	14.66%	15.28%	2017: Increasing/decreasing the discount rate by 100bps would decrease/increase the FV by Rs. 197.39 lakhs 2016: Increasing/decreasing the discount rate by 100bps would decrease/increase the FV by Rs. 151.25 lakhs 2015: Increasing/decreasing the discount rate by 100bps would decrease/increase theFV by Rs. 117.35 lakhs
Contingent consideration	2,450.85	-	-	Expected cash outflows	2,993.39	-	-	If expected cash flows were 10% lower, the FV would decrease by Rs. 244.79 lakhs.
				Discount rate	7.53%	-	-	A change in discount rate by 100bps would increase/decrease the FV by Rs. 64.02 lakhs

(iv) Valuation technique used to determine fair value

The main level 2 inputs for derivatives used by the Group are derived and evaluated as follows:

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, 2017, 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. Unqouted 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.

(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. Unbilled revenue
6. Interest accrued on deposits
7. Borrowings
8. Trade payables
9. Capital creditors
10. Unpaid dividends
11. Employee dues
12. Directors' commission
13. Book overdrafts
14. Other payables

28 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, 2017

(All amounts in INR Lakhs, unless otherwise stated)

aa The Group's exposure to foreign currency risk as of March 31, 2017 expressed in INR lakhs, is as follows:

	March 31, 2017					
	USD	GBP	ZAR	EUR	Other currencies	Total
Financial assets						
Cash and cash equivalents	3,215.18	470.49	-	1,634.36	1,559.73	**6,879.76**
Trade receivables	3,498.04	393.59	77.50	316.27	2,707.66	**6,993.06**
Unbilled revenue	2,236.26	0.00	24.99	557.06	73.60	**2,891.91**
Financial liabilities						
Trade payables	145.42	33.74	-	15.79	591.25	**786.20**
Employee benefit obligations	0.18	42.91	-	-	1,043.56	**1,086.65**
Other liabilities	533.90	6.33	2.02	3.72	643.56	**1,189.53**
Net assets / (liabilities)	**8,269.98**	**781.10**	**100.47**	**2,488.18**	**2,062.62**	**13,702.35**

ab The Group's exposure to foreign currency risk as of March 31, 2016 expressed in INR lakhs, is as follows:

	March 31, 2016					
	USD	GBP	ZAR	EUR	Other	Total
Financial assets						
Cash and cash equivalents	4,418.30	657.57	-	855.07	935.19	**6,866.13**
Trade receivables	1,816.66	94.62	310.06	280.31	3,417.66	**5,919.31**
Unbilled revenue	1,410.32	28.69	106.06	465.81	488.30	**2,499.18**
Financial liabilities						
Trade payables	285.07	49.41	-	50.01	530.02	**914.51**
Employee benefit obligations	0.18	19.53	-	19.92	84.69	**124.32**
Other liabilities	125.12	4.75	1.87	4.64	10.06	**146.44**
Net assets / (liabilities)	**7,234.91**	**707.19**	**414.25**	**1,526.62**	**4,216.38**	**14,099.35**

ac The Group's exposure to foreign currency risk as of April 1, 2015 expressed in INR lakhs, is as follows:

	April 1, 2015					
	USD	GBP	ZAR	EUR	Other currencies	Total
Financial assets						
Cash and cash equivalents	1,682.50	-	-	919.77	793.44	**3,395.71**
Trade receivables	2,263.24	127.08	788.87	500.28	642.88	**4,322.35**
Unbilled revenue	910.04	0.00	705.73	373.91	179.13	**2,168.81**
Financial liabilities						
Trade payables	120.26	77.77	-	3.22	225.55	**426.80**
Employee benefit obligations	-	-	-	-	95.49	**95.49**
Other liabilities	58.58	0.90	-	2.96	79.37	**141.81**
Net assets / (liabilities)	**4,676.94**	**48.41**	**1,494.60**	**1,787.78**	**1,215.04**	**9,222.77**

ad Sensitivity

For the year ended March 31, 2017 and March 31, 2016, every percentage point appreciation/depreciation in the exchange rate would have affected the Company's operating margins respectively:

- INR/USD by approximately 0.21% and 0.20% ,
- INR/ZAR by approximately 0.03% and 0.02% ,

- INR/GBP by approximately 0.02% and 0.02%,

- INR/EUR by approximately 0.01% 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.

ae 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 counter party 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.

The following table gives details in respect of outstanding foreign exchange contracts:

	March 31, 2017		March 31, 2016		April 1, 2015	
	In lakhs	In Rs. Lakhs	In lakhs	In Rs. Lakhs	In lakhs	In Rs. Lakhs
Derivatives designated as cash flow hedge						
Forward contracts						
In USD	19.04	1,347.64	10.36	727.04	5.59	367.81
In GBP	0.65	191.94	1.10	118.10	-	-
In ZAR	0.84	4.15	(2.77)	(11.82)	-	-
Total forwards		**1,543.73**		**833.32**		**367.81**

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:

	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one month	341.29	36.89	28.70
Later than one month and not later than three months	439.66	165.38	80.29
Later than three months and not later than one year	762.78	631.05	258.82

During the year ended March 31, 2017, 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.

Cash Flow Hedges - Foreign Exchange Forward Contracts	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Assets					
March 31, 2017	1,543.73	1,543.73	Apr-17 to Mar-18	1 : 1	61.97	710.42	(710.42)
March 31, 2016	833.32	833.32	Apr-16 to Mar-17	1 : 1	64.82	465.50	(465.50)
April 1, 2015	367.81	367.81	Apr-15 to Mar-16	1 : 1	65.81	NA	NA

The following table provides the reconciliation of cash flow hedge reserve:

	March 31, 2017	March 31, 2016
Balance at the beginning of the year	544.89	242.79
Gain / (loss) recognised in OCI during the year	710.42	465.50
Tax impact on above	(245.86)	(163.40)
Balance at the end of the year	**1,009.45**	**544.89**

ii) 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:

	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	13,106.60	14,929.40	10,090.51
Fixed rate borrowings	-	-	-
Total borrowings	**13,106.60**	**14,929.40**	**10,090.51**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	March 31, 2017	March 31, 2016
Interest rates - increase by 50 basis points (50 bps)	(16.58)	(27.27)
Interest rates - decrease by 50 basis points (50 bps)	16.58	27.25

(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.53,267.06 lakhs and Rs. 54,002.93 lakhs as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to Rs. 25,530.00 lakhs and Rs. 23,506.91 lakhs as of March 31, 2017 and March 31, 2016, 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.

ba The following table gives details in respect of percentage of revenues generated from top customer and top five customers, other than related parties:

	March 31, 2017	March 31, 2016	April 1, 2015
Revenue from top customer	25.03%	24.26%	24.12%
Revenue from top five customers	37.82%	36.89%	36.00%

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2017 and March 31, 2016 was Rs. 2,473.01 lakhs and Rs. 3,316.14 lakhs respectively. The increase in allowance for expected credit losses on customer balances for the year ended March 31, 2017 and March 31, 2016 was Rs. 1,409.51 lakhs and Rs.1,502.57 lakhs respectively.

Particulars	March 31, 2017	March 31, 2016
Balance at the beginning of the year	3,506.61	2,004.04
Translation differences	(74.21)	128.67
Impairment losses recognised /(reversed)	2,473.01	3,316.14
Write offs	(989.29)	(1,942.24)
Balance at the end	4,916.12	3,506.61

The Group's credit period generally ranges from 60-90 days

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	53,267.06	54,002.93	44,828.45
Unbilled revenues	25,530.00	23,506.91	16,828.77
Days sales outstanding - DSO (days)	91	94	87

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, 2017, 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.

	As at March 31, 2017				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	13,106.60	13,026.07	76.52	4.01	13,106.60
Trade payables	17,733.51	17,733.51	-	-	17,733.51
Other liabilities	11,663.94	8,005.79	1,119.28	2,538.87	11,663.94

	As at March 31, 2016				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	14,929.40	14,851.96	52.07	25.37	14,929.40
Trade payables	16,573.20	16,573.20	-	-	16,573.20
Other liabilities	11,101.16	10,120.70	-	980.46	11,101.16

	As at April 1, 2015				
		Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	10,090.51	9,941.02	106.35	43.14	10,090.51
Trade payables	12,931.89	12,931.89	-	-	12,931.89
Other liabilities	15,698.72	14,197.56	-	1,501.16	15,698.72

29 Capital management

(a) Risk management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital.

As Company's cash and bank balances are higher than Net debt, hence the ratio is not applicable. No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

(b) Dividends

Particulars	March 31, 2017	March 31, 2016
Equity shares		
Final dividend for the year ended March 31, 2016 of Rs. Nil (March 31, 2015 Rs. 6.50) per fully paid share	-	3,457.08
Interim dividend for the year ended March 31, 2017 of Rs. 5 (March 31, 2016 Rs. 12) per fully paid share	2,610.27	6,235.16

30 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) : It consist of Hybrid IT, next generation end user computing and management of security and compliances.

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.

Assets and liabilities used in Company's business are not identified to any of the reportable segment's, as these are used interchangeably between segments. The Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities since meaningful segregation of the available data is onerous. Accordingly no disclosure relating to total asset and liabilities is made.

Year ended March 31, 2017

Particulars	AMS	IMS	Total
Revenue from external customers	2,39,860.04	65,699.09	3,05,559.13
Segment profit	44,653.39	(2,434.13)	42,219.26

Year ended March 31, 2016

	AMS	IMS	Total
Revenue from external customers	2,25,397.50	68,411.49	2,93,808.99
Segment profit	42,703.38	3,007.57	45,710.95

Adjustments and elimination

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.

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	Note	March 31, 2017	March 31, 2016
Segment profit		42,219.26	45,710.95
Finance income	20	274.55	356.15
Fair value gain on financial assets at fair value through profit or loss	20	480.85	306.93
Finance costs	25	(876.93)	(1,066.05)
Unallocated expenses net of other income		(7,235.40)	(3,620.55)
Profit before tax		**34,862.33**	**41,687.43**

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.

Revenue from external customers	March 31, 2017	March 31, 2016
United States of America	2,26,991.06	2,26,036.38
United Kingdom	35,514.41	29,413.20
Rest of the World	43,053.66	38,359.41
Total	**3,05,559.13**	**2,93,808.99**

Revenue of approximately Rs. 77,112 lakhs (March 31, 2016- Rs.71,901.78 lakhs) are derived from single external customer. These revenue are attributed to the AMS and IMS segment.

Management believes that currently it is not currently practicable to provide disclosures of assets by geographical location, as meaningful segregation of the available information is onerous.

31 Interests in other entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2017 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	Ownership interest held by the Group			Ownership interest held by non-controlling interests		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
		%	%	%	%	%	%
Zensar Technologies (Singapore) Pte. Limited	Singapore	100	100	100	-	-	-
Foolproof (SG) Pte Limited		100	100	100	-	-	-
Zensar (Africa) Holdings Proprietary Limited	South Africa	100	100	100	-	-	-
Zensar (South Africa) Proprietary Limited		75	75	75	25	25	25
Zensar Technologies (Shanghai) Company Limited	China	100	100	100	-	-	-
Zensar Technologies (UK) Limited	United Kingdom	100	100	100	-	-	-
Foolproof Limited		100	100	100	-	-	-
Flow Interactive Limited		100	100	100	-	-	-
Knit Limited		100	100	100	-	-	-
	United States of America	100	100	100	-	-	-
Zensar Technologies, Inc.		100	100	100	-	-	-
PSI Holding Group, Inc.		100	100	100	-	-	-
Zensar Technologies IM Inc.		100	100	100	-	-	-
Professional Access Limited		100	100	100	-	-	-
Zensar Technologies IM B.V.	Netherlands	100	100	100	-	-	-

(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		
	March 31, 2017	March 31, 2016	April 1, 2015
Current assets	11,151.82	7,130.62	531.47
Current liabilities	8,740.78	5,800.91	124.66
Net current assets	**2,411.04**	**1,329.71**	**406.81**
Non-current assets	82.90	14.70	2.80
Non-current liabilities	4.83	0.82	-
Net non-current assets	**78.07**	**13.88**	**2.80**
Net assets	**2,489.11**	**1,343.59**	**409.61**
Accumulated NCI	741.45	391.10	116.07

(c)

Summarised Statement of profit and loss	Zensar (South Africa) Proprietary Limited	
	March 31, 2017	March 31, 2016
Revenue	18,253.88	10,483.63
Profit for the year	1,379.05	933.76
Other comprehensive income	-	-
Total Comprehensive income	1,379.05	933.76
Profit allocated to NCI	350.35	275.03
Dividends paid to NCI	-	-

(d)

Summarised Cash flows	Zensar (South Africa) Proprietary Limited	
	March 31, 2017	March 31, 2016
Cashflows from operating activities	2,270.24	2,353.03
Cashflows from investingactivities	159.83	64.48
Cashflows from financing activities	(401.51)	(0.71)
Net increase/ (decrease) in cash and cash equivalents	**2,028.56**	**2,416.80**

(e) Entities with more than 50% voting rights, not consolidated refer note 40 (b).

32 Related party disclosures

A List of related parties (as identified and certified by the Management)

(i) List of subsidiaries

Refer to note 31 (a)

(ii) Key Management Personnel

Name	Designation
H.V Goenka	Chairman
Sandeep Kishore	Chief Executive Officer and Managing Director
Arvind Agrawal	Non-Executive Directors
Venkatesh Kasturirangan	
A.T. Vaswani	
Shashank Singh	
P.K. Mohapatra (for part of the year)	
Sudip Nandy	
Madhabi Puri Buch	
S. Balasubramaniam (for part of the year)	Chief Financial Officer
Manoj Jaiswal (for part of the year)	Chief Financial Officer

(iii) Entities where Key management personnel either have significant influence or are members of key management personnel of that entity:

Name	Nature
RPG Enterprises	Entities where key management personnel have significant influence
Harrisons Malayalam Limited	
KEC International Limited	
Raychem RPG Limited	
RPG Life Sciences Limited	
CEAT limited	

(iv) Post employement benefit plans:

Zensar PF Trust

Zensar Gratuity Trust

Zensar Superannuation Trust

(v) Entities having significant influence over the company:

Swallow Associates LLP

Marina Holdco (PPI) Ltd

(All amounts in INR Lakhs, unless otherwise stated)

B Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on					
		March 31, 2017	March 31, 2016	March 31, 2017 Receivable	March 31, 2017 Payable	March 31, 2016 Receivable	March 31, 2016 Payable	April 1, 2015 Receivable	April 1, 2015 Payable
A.	**Rendering of Software Services**								
	Group Companies:								
(i)	RPG Life Sciences Limited	73.98	18.64	15.34	-	9.95	-	4.28	-
(ii)	RPG Enterprises	335.04	309.35	5.18	-	10.06	-	14.48	-
(iii)	CEAT Limited	60.30	-	-	-	-	-	62.76	-
(iv)	Harrisons Malayalam Limited	-	-	4.83	-	4.83	-	4.83	-
(v)	KEC International Limited	-	-	-	-	-	-	48.27	-
(vi)	Raychem RPG Limited	-	-	-	-	-	-	9.65	-
	Total of rendering of Software Services	**469.32**	**327.99**	**25.35**	**-**	**24.84**	**-**	**144.27**	**-**
B.	**Rendering of Other Services**								
	Group Companies:								
(i)	KEC International Limited	-	0.14	0.14	-	0.14	-	0.14	-
(ii)	Ceat Ltd	9.21	8.99	0.77	-	0.77	-	-	-
	Total of rendering of Other Services	**9.21**	**9.13**	**0.91**	**-**	**0.91**	**-**	**0.14**	**-**
C.	**Receipt of Other Services**								
	Group Companies:								
(i)	RPG Enterprises	1,457.95	926.96	-	95.83	-	63.63	-	21.03
(ii)	Ceat Ltd	17.69	1.54	-	-	-	0.05	-	-
(iii)	Harrisons Malayalam Limited	0.18	1.27	-	-	-	-	-	-
	Total of receipts of Other Services	**1,475.82**	**929.77**	**-**	**95.83**	**-**	**63.68**	**-**	**21.03**
D.	**Donation to Zensar Foundation**								
	Donation to Zensar Foundation	-	317.00	-	-	-	-	-	-
	Total Donation	**-**	**317.00**	**-**	**-**	**-**	**-**	**-**	**-**
E.	**Key management personnel Compensation**								
	Total remuneration*	1,541.83	837.72	-	-	-	-	-	-

* Total remuneration does not include compensation related to stock option plan.

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:

	Amount
As on April 1, 2015	**25,420.75**
Add: Translation difference	1,447.39
As on March 31, 2016	**26,868.14**
Add: Addition on acquisition	5,330.46
Add: Translation difference	(541.57)
As on March 31, 2017	**31,657.03**

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, 2017, March 31, 2016 and April 1, 2015 goodwill has been allocated to the following operating segment:

	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Infrastructure management services (IMS)	17,324.05	17,698.59	16,697.61
Application management services (AMS)	14,332.98	9,169.55	8,723.14
Total	**31,657.03**	**26,868.14**	**25,420.75**

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:

	March 31, 2017	March 31, 2016	April 1, 2015
Terminal growth rate			
- IMS	4-5	4-5	4-5
- AMS*	-	-	-
After tax discount rate			
- IMS	12-14	14-15	15-17
- AMS	10-11	10-11	10-11

* For AMS, the Group has considered terminal growth rate as nil, on prudence, only for the purpose of impairment testing calculations.

Based on the above, no impairment was identified as of March 31, 2017, March 31, 2016 and April 1, 2015 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 Contingent liabilities

	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(a)	Income Tax:			
	Matters decided in favour of the Company by appellate authorities, where the Income Tax Department is in further appeal.	981.07	981.07	990.94
	Matters on which the Company is in appeal	814.69	592.16	635.19
(b)	Sales Tax / Value Added Tax:			
	Claims against the Company regarding sales tax against which the Company has preferred appeals.	231.61	252.41	253.03
(c)	Claims against the Company regarding service tax against which the Company has preferred appeal.	14.73	14.73	14.73
(d)	Claim in respect of rented premises.	235.27	223.61	211.94
(e)	Claims against the Company not acknowledged as debts.	1,412.89	190.41	62.28

35 Commitments

(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Property plant and equipment	1,687.85	354.54	227.01
Intangible assets	444.21	233.70	331.14

(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. 7,317.50 lakhs (Previous year Rs. 6,541.33 lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Future minimum lease payments in respect of non-cancellable operating leases			
Not later than one year	2,404.98	1,888.54	2,359.68
Later than one year and not later than five years	7,087.15	3,496.62	3,611.72
Later than one year and not later than five years	-	-	-

(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	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one year	56.68	137.45	220.23
Later than one year but not later than five years	26.19	82.87	167.44
Later than five years	-	-	-
Total	**82.87**	**220.32**	**387.67**

-Present value of minimum lease payments	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one year	51.50	120.34	191.09
Later than one year but not later than five years	25.37	77.44	149.49
Later than five years	-	-	-
Total	**76.87**	**197.78**	**340.58**

-Reconciliation of minimum lease payments and present value	March 31, 2017	March 31, 2016	April 1, 2015
Minimum lease rentals payable	82.87	220.32	387.67
Less: Finance charges to be recognized in subsequent periods	6.00	22.54	47.09
Present value of minimum lease payments payable	76.87	197.78	340.58

36 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	2016-17		2015-16	
	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	55,850	83.24	1,24,690	76.08
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(5,428)	43.05
Exercised during the year	(9,500)	84.76	(63,412)	72.61
Expired during the year	(2,400)	58.08	-	-
Outstanding at the end of the year	43,950	84.28	55,850	83.24
Exercisable at the end of the year	43,950		55,850	

Stock option activity under the "2006 ESOP" scheme is as follows:

Particulars	2016-17		2015-16	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	10,29,982	420.39	10,67,830	185.23
Granted during the year	2,13,000	1,007.86	3,01,000	812.43
Forfeited during the year	(2,21,594)	554.81	(97,606)	278.94
Exercised during the year	(2,32,710)	194.28	(2,41,242)	161.02
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,88,678	607.17	10,29,982	420.39
Vested and Exercisable at the end of the year	2,45,658		3,43,848	

(b) Employee Performance Award Unit Plan, 2016 (EPAU 2016)

Vesting under EPAU 2016 is dependent upon achievement of certain performance targets over a period of time as stated in the agreement.

The exercise price is Rs. 10 per unit and all vested units need to be exercised no later than two and half months from the end of calendar year in which vesting happens.

Stock option activity under the "EPAU 2016" scheme is as follows:

Particulars	2016-17	
	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	-	-
Granted during the year	2,53,818	10
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	2,53,818	10
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		
				March 31, 2017	March 31, 2016	April 1, 2015
2006 scheme	FY 2006-2009	50 - 150	FY 2022-2024	3,600	27,456	67,456
	FY 2010-2013	50 - 275	FY 2025-2028	1,69,218	3,88,036	6,08,924
	FY 2014-2017	250 - 1100	FY 2029-2032	6,15,860	7,14,490	3,64,486
Weighted average remaining contractual life of options outstanding at the end of the year				**12.42 years**	**12.45 years**	**11.97 years**
2002 scheme	FY 2002-2005	30 - 80	FY 2018-2020	5,050	7,200	35,850
	FY 2006-2009	60 - 130	FY 2021-2024	38,900	48,650	85,630
Weighted average remaining contractual life of options outstanding at the end of the year				**4.65 years**	**5.46 years**	**6.02 years**
EPAU, 2016	FY 2016-2017	5-10	FY 2023-2024	2,53,818	-	-
Weighted average remaining contractual life of options outstanding at the end of the year				**5.06 years**	**-**	**-**

(d) Fair value of options granted

The fair value of the options at the grant date is determined using Black Scholes 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, 2017 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					
	05-08-2016		14-12-2016		24-01-2017	
	Vest 1	Vest 2	Vest 1	Vest 2	Vest 1	Vest 2
Expected Life (years) *	3.15	5.15	3.15	5.15	3.33	4.33
Volatility (%) **	39.75	38.29	39.75	38.29	39.19	36.83
Riskfree rate (%)	6.84	7.01	6.84	7.01	6.38	6.51
Exercise price (Rs.)	10	10	10	10	10	10
Dividend yield (%)	1.09	1.09	1.09	1.09	1.31	1.31
Fair value per vest	1055.68	1033.83	1055.68	1033.83	867.43	856.57
Vest %	40	60	40	60	40	60
Option fair value	**1042.57**		**1042.57**		**862.00**	

* The scheme allows for a maximum and minimum vesting of 68 % and 40 % on the first vesting date - 31-Mar-2018 and a maximum and minimum cumulative vesting of 170 % and 100 % at the final vesting date- 31-Mar-2021 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.

(ii) 2006 ESOP

Particulars	For Options granted in Financial Year 2016-17		
Grant Date	05-08-2016	05-08-2016	17-11-2016
Expected Life (years)	3.33-7.33	3.33-7.33	3.33-7.33
Volatility (%) **	38.82-39.11	38.82-39.11	38.23-39.84
Riskfree rate (%)	6.89 - 7.13	6.89 - 7.13	6.28-6.57
Exercise price (Rs.)	1000	1100	975
Dividend yield (%)	1.09	1.09	1.22
Option Fair Value	**494.23**	**460.47**	**398.09**

(e) Expense arising from share-based payment transactions:

Total expenses arising from share-based payment transactions recognised in Statement of profit and loss as part of employee benefits expense were Rs. 1,013.60 lakhs (March 31, 2016 Rs. 414.69 lakhs)

37 Earnings per share

Particulars	March 31, 2017	March 31, 2016
Profits attributable to equity shareholders (Rs. in lakhs)	23,486.50	28,955.26
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	447.39	444.58
Basic EPS (Rs.)	**52.50**	**65.13**
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year	447.39	444.58
Effect of dilutive issue of stock options	6.39	6.73
Weighted average number of equity shares outstanding for diluted EPS	453.78	451.31
Diluted EPS (Rs.)	**51.76**	**64.16**

38 First time adoption of Ind AS

Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017, the comparative information presented in these consolidated financial statements for the year ended March 31, 2016 and in the preparation of consolidated opening Ind AS balance sheet as at April 1, 2015. In preparing its consolidated opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). In its transition from previous GAAP to Ind AS, the Group has also availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101. An explanation of how this transition has affected the Group's financial performance and cash flows is set out in the following tables and notes.

(a) Exemptions from full retrospective application:

aa Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group has elected to apply Ind AS 103 retrospectively to business combinations occurring after October 1, 2010. The Group has elected to use the relief from the application of Ind AS 103 to business combinations that have occurred prior to this date and have not restated those business combinations.

ab Share based payment transactions

The Group has elected to apply the exemption available under Ind AS 101 regarding application of Ind AS 102, “Share Based Payment”, to equity instruments that had vested before the transition date.

ac Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ad Cumulative translation differences

Ind AS 101 provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a foreign operation was formed or acquired.

The Group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

ae Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity instruments.

The other exemptions either do not apply or are not relevant for the Group.

(b) Mandatory exceptions

ba Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 1, 2015 are reflected as hedges in the Group's results under Ind AS.

The Group had designated some hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Group continues to apply hedge accounting on and after the date of transition to Ind AS.

bb Estimates

An entity's estimate on the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Investment in mutual funds carried at FVPL;
- Impairment of financial assets based on expected credit loss model;
- Fair valuation of financial assets and liabilities excluding derivatives; and
- Fair valuation of assets and liabilities arising in business combinations

bc De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements under Ind AS 109, prospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

bd Classification and measurement of financial assets

As required under Ind AS 101, the Group has classified and measured the financial assets on the basis of the facts and circumstances existing at the date of transition to Ind AS.

(c) Reconciliations between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

– equity as at April 1, 2015;

– equity as at March 31, 2016;

– total comprehensive income for the year ended March 31, 2016; and

– explanation of material adjustments to cash flow statements.

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the Ind AS presentation.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

ca Reconciliation of equity as at April 1, 2015

	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Assets				
Non current assets				
(a) Property, plant and equipment	1	8,811.67	(33.48)	8,778.19
(b) Capital work-in-progress		64.29	-	64.29
(c) Goodwill	1,10,11	44,303.99	(18,883)	25,420.75
(d) Other intangible assets	11	1,618.17	3,572.29	5,190.46
(e) Intangible assets under development		78.99	-	78.99
(f) Financial assets				
i. Investments	1	80.18	2,118.92	2,199.10
ii. Other financial assets		1,415.77	-	1,415.77
(g) Deferred tax assets (net)	8	1,418.26	1,658.39	3,076.64
(h) Other non-current assets		609.94	-	609.94
(i) Income tax assets (net)	1	3,068.77	(67.47)	3,001.30
Total non-current assets		**61,470.04**	**(11,634.60)**	**49,835.43**
Current assets				
(a) Inventories		12,262.25		12,262.25
(b) Financial assets				
i. Investments	2	9,312.42	184.67	9,497.09
ii. Trade receivables	1	45,028.96	(200.51)	44,828.45
iii. Cash and cash equivalents	1	19,599.83	(622.20)	18,977.63
iv. Bank balances other than in (iii) above		124.75	-	124.75
v. Unbilled revenue	1	16,848.63	(19.86)	16,828.77
vi. Other financial assets	1	601.83	(3.92)	597.91
(c) Other current assets	7	7,666.46	(65.70)	7,600.75
Total current assets		**1,11,445.13**	**(727.53)**	**1,10,717.60**
Total assets		**1,72,915.17**	**(12,362.13)**	**1,60,553.03**
Equity and liabilities				
Equity				
(a) Equity share capital		4,432.68	-	4,432.68
(b) Other equity				
i. Reserves and surplus	1,3,6,12,13	1,11,268.57	(10,936.73)	1,00,331.84
ii. Other components of equity	2,3,14	-	661.58	661.58
Equity attributable to shareholders of the Company		1,15,701.25	(10,275.14)	1,05,426.10
Non controlling interests		116.07	-	116.07
Total equity		**1,15,817.32**	**(10,275.14)**	**1,05,542.17**
Non-current liabilities				
(a) Financial liabilities				
i. Borrowings		149.49	-	149.49
ii. Other financial liabilities	12	-	1,501.16	1,501.16
(b) Provisions		90.75	-	90.75
(c) Employee benefit obligations	9	3,664.43	52.47	3,716.90
(d) Other non-current liabilities		382.78	-	382.78
Total non-current liabilities		**4,287.45**	**1,553.63**	**5,841.08**
Current liabilities				
(a) Financial liabilities				
i. Borrowings		9,715.87	-	9,715.87
ii. Trade payables	1	13,007.08	(75.19)	12,931.89
iii. Other financial liabilities		14,197.56	-	14,197.56
(b) Provisions	4	3,462.47	(3,457.08)	5.39
(c) Employee benefit obligations	1	2,421.74	(38.58)	2,383.16
(d) Unearned revenue		7,525.79	-	7,525.79
(e) Other current liabilities	1	1,840.26	(69.77)	1,770.50
(f) Income tax liabilities (net)		639.62	-	639.62
Total current liabilities		**52,810.40**	**(3,640.62)**	**49,169.78**
Total liabilities		**57,097.85**	**(2,086.99)**	**55,010.86**
Total equity and liabilities		**1,72,915.17**	**(12,362.13)**	**1,60,553.03**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2017 (Contd.)

(All amounts in INR Lakhs, unless otherwise stated)

cb Reconciliation of equity as at March 31, 2016

	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Assets				
Non current assets				
(a) Property, plant and equipment	1	9,362.64	(30.22)	9,332.42
(b) Capital work-in-progress		18.40	-	18.40
(c) Goodwill	1,10,11	46,636.10	(19,767.96)	26,868.14
(d) Other intangible assets	11	1,063.97	1,348.03	2,412.00
(e) Intangible assets under development		150.82	-	150.82
(f) Financial assets				
i. Investments	1	0.19	2,626.14	2,626.33
ii. Other financial assets		1,176.53	-	1,176.53
(g) Deferred tax assets (net)	8	1,135.31	1,024.44	2,159.75
(h) Other non-current assets		1,159.11	-	1,159.11
(i) Income tax assets (net)		2,384.74	-	2,384.74
Total non-current assets		**63,087.81**	**(14,799.57)**	**48,288.24**
Current assets				
(a) Inventories		12,586.66	-	12586.66
(b) Financial assets				
i. Investments	2	10,155.19	628.79	10,783.98
ii. Trade receivables	1	54,257.19	(254.26)	54,002.93
iii. Cash and cash equivalents	1	28,232.55	(746.45)	27,486.10
iv. Bank balances other than in (iii) above		208.37	-	208.37
v. Unbilled revenue	1	23,529.27	(22.36)	23,506.91
vi. Other financial assets		1,054.28	(0.00)	1,054.28
(c) Other current assets	7	9,054.09	(74.48)	8,979.61
Total current assets		**1,39,077.60**	**(468.76)**	**1,38,608.84**
Total assets		**2,02,165.41**	**(15,268.33)**	**1,86,897.08**
Equity and liabilities				
Equity				
(a) Equity share capital		4,463.14	-	4,463.14
(b) Other equity				
i. Reserves and surplus	1,3,6,12,13	1,38,116.18	(17,848.31)	1,20,267.87
ii. Other components of equity	2,3,14	-	1,780.31	1,780.31
Equity attributable to shareholders of the Company		1,42,579.32	(16,068.00)	1,26,511.32
Non controlling interests		391.10	-	391.10
Total equity		**1,42,970.42**	**(16,068.00)**	**1,26,902.42**
Non-current liabilities				
(a) Financial liabilities				
i. Borrowings		77.45	-	77.45
ii. Other financial liabilities	12	-	980.46	980.46
(b) Provisions		91.17	-	91.17
(c) Employee benefit obligations	9	3,797.12	(192.23)	3,604.89
(d) Other non-current liabilities		187.29	-	187.29
Total non-current liabilities		**4,153.03**	**788.23**	**4,941.26**
Current liabilities				
(a) Financial liabilities				
i. Borrowings		14,731.48	-	14,731.48
ii. Trade payables	1	16,534.65	38.55	16,573.20
iii. Other financial liabilities		10,120.70	-	10,120.70
(b) Provisions		220.00	-	220.00
(c) Employee benefit obligations	1	1,753.63	(63.48)	1,690.15
(d) Unearned revenue		8,390.50		8,390.50
(e) Other current liabilities	1	2,295.81	(115.63)	2,180.18
(f) Income tax liabilities (net)	1	995.19	152.00	1,147.19
Total current liabilities		**55,041.96**	**11.44**	**55,053.40**
Total liabilities		**59,194.99**	**799.67**	**59,994.66**
Total Equity and Liabilities		**2,02,165.41**	**(15,268.33)**	**1,86,897.08**

cc Reconciliation of total equity as at March 31, 2016 and April 1, 2015

	Notes to first time adoption	March 31, 2016	April 1, 2015
Total equity (shareholders' fund) as per previous GAAP		**1,42,970.42**	**1,15,817.32**
Ind AS adjustments			
Net impact of retrospective application of business combination accounting	10,11	(17,923.16)	(14,558.94)
Net adjustment on de-consolidation of an entity pursuant to requirements of Ind AS 110	1	599.77	378.68
Proposed dividend	4	-	3,457.08
Fair valuation changes of share based payment	12	(980.46)	(1,501.16)
Fair valuation of investments	2	628.79	184.67
Actuarial valuation of employee benefits	9	192.23	(52.47)
Goodwill amortization written back	10	413.85	158.59
Fair valuing security deposits and amortisation of advance rentals	7	(23.45)	-
Deferred taxes on above Ind AS adjustments	8	1,024.42	1,658.38
Total adjustments		**(16,068.00)**	**(10,275.16)**
Total Equity as per Ind AS		**1,26,902.42**	**1,05,542.16**

cd Reconciliation of total comprehensive income for the year ended March 31, 2016

	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Income				
Revenue from operations	1	2,97,804.28	(2,617.29)	2,95,186.99
Other income	1	844.92	(0.51)	844.41
Other gains / (losses) - net	2,7,12	3,609.98	929.97	4,539.95
Total Income		**3,02,259.18**	**(1,687.83)**	**3,00,571.35**
Expenses				
Purchase of network and security products		15,450.79	-	15,450.79
Purchases of licenses for software applications		6,313.09	-	6,313.09
(Increase)/decrease in inventories		(324.41)	-	(324.41)
Employee benefits expense	5,6,9	1,47,960.17	(2,229.22)	1,45,730.95
Cost of manpower hired		35,074.81		35,074.81
Depreciation and amortisation expense	10	4,546.97	1,962.56	6,509.53
Other expenses	7	49,290.42	(227.31)	49,063.11
Finance cost	1	1,066.33	(0.28)	1,066.05
Total expenses		**2,59,378.17**	**(494.26)**	**2,58,883.92**
Profit before tax		**42,881.00**	**(1,193.57)**	**41,687.43**
Income tax expense				
Current tax		11,345.22	352.15	11,697.37
Deferred tax	8	346.07	413.70	759.77
Total tax expense		**11,691.29**	**765.85**	**12,457.13**
Profit for the year		**31,189.71**	**(1,959.42)**	**29,230.30**
Other comprehensive income, net of tax	12,14	-	973.11	973.11
Total comprehensive income		**31,189.71**	**(986.30)**	**30,203.41**

ce Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash flow from operating activities	25,870.98	(393.93)	25,477.05
Net cash flow from investing activities	(4,223.53)	164.49	(4,059.04)
Net cash flow from financing activities	(13,016.79)	105.19	(12,911.60)
Net increase / (decrease) in cash and cash equivalents	**8,630.66**	**(124.25)**	**8,506.41**
Cash and cash equivalents as at April 1, 2015	19,599.83	(622.20)	18,977.63
Effects of exchange rate changes on cash and cash equivalents	2.06	-	2.06
Cash and cash equivalents as at March 31, 2016	**28,232.55**	**(746.45)**	**27,486.10**

cf Analysis of changes in cash and cash equivalents for the purposes of cash flows under Ind AS

Particulars	March 31, 2016	April 1, 2015
Cash and cash equivalents as per previous GAAP	2,8232.55	19,599.83
GAAP adjustments	(746.45)	(622.20)
Cash and cash equivalents for the purpose of statement of cash flows	**27,486.10**	**18,977.63**

cg Notes to first time adoption

Note 1 - Consolidated financial statements

Under the previous GAAP, consolidated financial statements were prepared in accordance with Accounting Standard 21 and included all entities under the control of the parent. Control under this standard was established on ownership of more than one-half of voting power or on control of the composition of the board of directors granting economic benefits. Since the Group held 100% of the equity shares of Aquila Technology Corp (Aquila), it was consolidated as a subsidiary.

On transition date, the Group assessed control over all its subsidiaries under Ind AS 110 and concluded that it does not have the power to direct the relevant activities of Aquila and therefore does not control Aquila. The Group further concluded that it does not have the power to participate in the financial and operating policy decisions of this Company and consequently does exercise significant influence as defined under Ind AS 28.

On the basis of the above assessments the Group deconsolidated this entity by applying Ind AS 110 retrospectively from the date when the control was lost, May 11, 2012 as follows:

- recognized its investment in Aquila at fair value (April 1, 2015 - Rs. 2,118.92 lakhs and March 31, 2016 - Rs. 2,626.13 lakhs)
- derecognized assets (including goodwill - Rs.712.27 lakhs) and liabilities of the subsidiary at carrying amount
- recognised resulting gain (difference between carrying amount of net assets derecognised and fair value of investment as on May11, 2012) in statement of profit and loss

For subsequent periods since May 11, 2012, the Group has classified its investment in Aquila as financial asset - investments in equity instruments and recognized fair value changes in OCI.

The related adjustments with respect to assets and liabilities derecognised have been shown under respective line items in the above reconciliations.

Note 2 - Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This increased the retained earnings by Rs. 628.79 lakhs as at March 31, 2016 (April 1, 2015 - Rs. 184.67 lakhs).

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2016. This increased other reserves by Rs. 750.39 lakhs as at March 31, 2016 (April 1, 2015- Rs.418.78 lakhs).

Consequent to the above, the total equity as at March 31, 2016 increased by Rs. 1,379.18 lakhs (April 1, 2015 - Rs. 603.45 lakhs) and profit and other comprehensive income for the year ended March 31, 2016 increased by Rs. 444.12 lakhs and Rs. 331.61 lakhs, respectively.

Note 3- Foreign currency translation reserve

The Group elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 1, 2015. Accordingly, translation reserve balance under previous GAAP of Rs. 3,070.36 lakhs has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

Note 4- Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax thereon) of Rs. Nil as at 31 March 2016 (April 1, 2015 Rs. 3,457.08 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 5: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by Rs. 222.69 lakhs. There is no impact on the total equity as at March 31, 2016.

Note 6: Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by Rs. 837.07 lakhs as at March 31, 2016 (April 1, 2015- Rs. 442.24 lakhs). The profit for the year ended March 31, 2016 decreased by Rs. 394.83 lakhs. There is no impact on total equity.

Note 7: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 463.95 lakhs as at March 31, 2016 (April 1, 2015- Rs. 501.40 lakhs). The prepaid rent increased by Rs. 440.15 lakhs as at March 31, 2016 (April 1, 2015 - Rs. 501.40 lakhs). There was no impact on total equity as at April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 23.45 lakhs due to amortisation of the prepaid rent of Rs. 156.32 lakhs which is partially off-set by the notional interest income of Rs. 132.87 lakhs recognised on security deposits.

Note 8: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Consequently the net deferred tax asset as at March 31, 2016 increased by Rs. 1,024.44 lakhs (April 1, 2015- Rs. 1,658.39 lakhs), the profit and total comprehensive income for the year ended March 31, 2016 decreased by Rs. 413.70 lakhs and Rs. 314.50 lakhs respectively.

Note 9: Employee benefits

Under the previous GAAP, the rate used to discount post-employment benefit obligations of the Company, including its foreign branches and subsidiaries, was determined by reference to market yields at the end of the reporting period on government bonds/securities. Ind AS 19, Employee Benefits requires the discounting of such obligations in respect for foreign branches and subsidiaries using the rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds, unless the foreign branches and subsidiaries are domiciled in countries where there is no deep market in such bonds. Consequently, the discounting of liability of foreign branches and subsidiaries using corporate bond rates has resulted in an decrease in liability as at March 31, 2016 by Rs. 192.23 lakhs (April 1, 2015 - increase by Rs. 52.47 lakhs) and increase in profit for the year then ended by Rs. 244.71 lakhs.

Note 10: Goodwill amortization

Under the previous GAAP, goodwill arising on business combinations is capitalised on balance sheet and amortised over its expected useful life. Under Ind AS 103, Business Combinations, the amortisation of goodwill is prohibited, and goodwill is held at cost with impairment reviews carried out annually or at other times if there are indications that the carrying value is not recoverable.

The goodwill amortisation charge recognised under previous GAAP has therefore been reversed, resulting in an increase in profit for the year ended March 31, 2016 by Rs. 255.26 lakhs (April 1, 2015 - Rs.158.59 lakhs).

Note 11: Business combination

Under Ind AS, all the assets and liabilities arising from a business combination are identified and recorded at fair value. Under previous GAAP, assets and liabilities arising from a business combination were recognized at their carrying values as in the books of the acquiree. On account of retrospective application of Ind AS 103 to certain business combinations consummated prior to the transition date, a portion of purchase price has been allocated towards customer related, brand related, non-compete related intangibles. Accordingly, goodwill on the date of transition and March 31, 2016 is lower by Rs. 183,29.57 lakhs and Rs. 194,69.54 lakhs respectively and intangible assets are higher by Rs. 3,572.29 lakhs and Rs. 1,348.03 lakhs respectively.

Amortization of intangible assets recognised due to retrospective application of Ind AS 103, as explained in note 11, has resulted in a decrease in profits for year ended March 31, 2016 by Rs. 2,224.26 lakhs (April 1, 2015 - Retained earnings Rs.9,178.44 lakhs).

Cumulative translation differences of Rs. 4,661.35 lakhs on retrospective application of Ind AS 103 has been adjusted in opening reserves.

Note 12: 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 of 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.

There was no guidance under the previous GAAP for accounting for share based payment arrangements excluding arrangements with employees. Accounting standard 30 Financial instruments: recognition and measurement, prescribed accounting for financial instruments and embedded derivatives. The host contract however, is not a financial instrument and the embedded derivative, being the option on subscription shares could not be segregated from the host contractas the economic risks and characteristics of the embedded derivative and the host contract were closely related. Consequently, the above transaction was not recorded under the previous GAAP.

Under Ind AS such transactions are covered under Ind AS 102 - Share based payments. 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 the transition date which has resulted in decrease in reserves amounting to Rs. 1,501.16 lakhs. Fair value movements in the liability for the year ended March 31, 2016 amounting to Rs. 520.70 lakhs has resulted in gain which has increased profit and other comprehensive income by Rs. 352.98 lakhs and Rs.167.72 lakhs respectively.

The Black-Scholes model was used to determine the IND AS 102 charge for the transaction 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

Strike price

The strike price at the expiry date will be influenced both by the interest accruing on the outstanding debt and by dividends received by the SPE on the subscription shares. On the basis of forecasts made by the management regarding interest and dividends over the term of agreement, the strike price was calculated at Rs. 1,611.07 as at March 31, 2017 (March 31, 2016: Rs.1,484.49)

Spot price

The spot price is represented by the current value of the 25% plus one share interest in Zensar South Africa of Rs.2,751.45 (March 31, 2016: Rs.2,400.63)

Option term

The period for the final redemption of the notional funding is seven years after the date of implementation.

Risk-free rate

The zero-coupon swap rate curve as at 31 March 2017 was used to determine a risk-free rate which indicates a yield of 7.702% for a maturity equal to the remaining period of the loan.

Expected volatility

Expected volatility was determined as 30% as Zensar (South Africa) is a private company and according to the sector to which Zensar (South Africa) is exposed.

The dividend yield

A dividend yield of 0.0% was applied for the option valuation.

Note 13: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 14: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income include remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

39 Impact of change in election of exemptions on transition to Ind AS

The Group has elected to apply Ind AS 103 retrospectively to past business combinations occuring on and after October 1, 2010. In its first Ind AS interim financial report the Group had elected to apply Ind AS 103 from the date of transition, i.e from April 1, 2015. The change in the date of application of this standard between its first Ind AS interim financial report and the first Ind AS financial statements represents a change in election of exemptions permitted under Ind AS 101. The retrospective accounting for business combinations has resulted in recognition of certain intangible assets previously subsumed in goodwill with consequent impact on the opening equity as well as the profits for the year ended March 31, 2016 and March 31,

Particulars	March 31, 2017	March 31, 2016
Equity - prior to the change in exemption	165,990.14	144,825.58
Impact of change in exemption	(18,199.58)	(17,923.16)
Final Equity -post the change in exemption	**147,790.56**	**126,902.42**
Profit after tax - prior to change in exemption	24,540.38	31,454.54
Impact of change in exemption	(703.53)	(2,224.25)
Final Profit after tax - post change in exemption	**23,836.85**	**29,230.29**

40 Business Combination

(a) Business combination occurring after the end of the reporting period but before the financial statements are approved:

Summary of acquisition:

The Group entered into an agreement on March 30, 2017 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. 5,181 lakhs respectively (excluding contingent consideration).

The payment of purchase consideration and acquisition of related control occurred subsequent to March 31, 2017.

(b) Business combination occurring in the previous reporting periods but impacting the financial statements of current period:

ba PSI Holding Group, Inc. ("PSI"):

On November 20, 2010, the Company, through its wholly owned subsidiary, Zensar Technologies, Inc. acquired 100% equity interest in PSI Holding Group, Inc. ("PSI"), a leading service provider in IT consulting and multi-vendor systems maintenance, support services specializing in data security, desktop management and network security solutions. The business acquistion was effected by entering into agreement effective from January 1, 2011 for a consideration of Rs. 29,822.25 lakhs (USD 66.7 million).

The purchase price has been allocated based on the management's estimates and independent appraisal of fair value as follows:

Particulars	Fair Value
Cash paid	29,822.25
Total purchase consideration	**29,822.25**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Intangible asset- Non compete agreements	3,149.16
Intangible asset- Customer relationship	3,787.61
Intangible asset- Brand	3,386.06
Intangible asset- Customer contact	264.47
Other net assets	6,943.13
Net identifiable assets acquired	**17,530.43**
Goodwill	**12,291.82**

Aquila Technology Corp was an entity acquired as part of the acquisition of PSI Holding Group Inc. A subsequent agreement between the Group and a customer of Aquila lead to loss of control for the Group. Hence with effect from the date of the agreement the Group has deconsolidated Aquila. The goodwill, intangible assets & other net assets in PSI Holding Group Inc., related to Aquila Technology Corp as of the date of the loss of control are as follows:

	Amount
Intangible asset- Customer contracts	198.35
Goodwill	712.27
Other net assets	39.07
	949.69

The investment in Aquila is fair valued through other comprehensive income and disclosed as non-current investment.

bb Professional Access Ltd.

On August 14, 2014, the Group, through its wholly owned subsidiary, Zensar Technologies, Inc. acquired 100% equity interest in Professional Access Limited and also entered into a Business Undertaking Transfer Agreement for the purchase of business from Professional Access Software Development Private Limited, an Oracle Platinum partner for a consideration of Rs. 10,005.26 lakhs (USD 16.54 million) and Rs.122,36.00 lakhs respectively.

The purchase price has been allocated based on the management's estimates and independent appraisal of fair value as follows:

Particulars	Fair Value
Cash paid	22,241.26
Total purchase consideration	**22,241.26**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Intangible asset- Non compete agreements	625.10
Intangible asset- Customer relationship	1,118.77
Intangible asset- Customer contracts	617.91
Other net current assets	11,458.52
Net identifiable assets acquired	**13,820.29**
Goodwill	**8,420.96**

bc Other disclosures mandated under paragraph B67 of Ind AS 103- Business Combination are not relevant for this transaction and hence have not been made.

(c) Business combination occurring in the current reporting period:

On November 2, 2016, Zensar Technologies (UK) Limited, entered into a Share Purchase agreement to acquire 100% shares in Foolproof Limited (Foolproof) along with its two wholly owned subsidiaries in UK and one wholly owned subsidiary in Singapore. Foolproof is an Experience Design Company, headquartered in London with other offices in Norwich and Singapore. The acquisition is a strategic investment in the experience design services and is aligned with Company's growing focus on digital solutions.

Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

Particulars	Fair Value
Cash paid	6,050.90
Contingent consideration*	2,450.85
Total purchase consideration	**8,501.75**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Intangible asset- Non compete agreements	69.65
Intangible asset- Customer relationship	2,357.72
Intangible asset- Brand	177.15
Furniture and fixtures	122.61
Data processing equipments	174.28
Computer software	1.71
Other net current assets	268.17
Net identifiable assets acquired	**3,171.29**
Goodwill**	**5,330.46**

* contingent consideration is payable on achievement of pre-determined financial targets. As at March 31, 2017, management has estimated that these targets will be met and valued the consideration by applying a discount rate of 7.53%.

** Goodwill is not deductible for income tax purposes.

As permitted under Ind AS 103, the accounting for the acquisition, so far as it relates to Intangibles recognised for Non compete agreements, Customer relationship, Brand and corresponding Goodwill 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.

Acquired receivables

The fair value of acquired trade receivables is Rs. 1,265.05 lakhs. The gross contractual amount for trade receivables due is Rs. 1,265.05 lakhs and hence expected uncollectible receivables are nil.

Revenue and profit contribution

The acquired business has contributed revenues of Rs. 4,338.82 lakhs and profit before tax of Rs. 489.81 lakhs to the group revenue and profit before tax respectively for the year ended March 31, 2017. If the acquisition had occurred on April 1, 2016, consolidated revenue and profit for the year would have been Rs. 3,11,575.95 lakhs and Rs. 34,344.23 lakhs respectively.

These amounts have been calculated using subsidiary's results and adjusted for the additional amortisation that would have been charged assuming the fair value adjustments above had applied from April 1, 2016.

Acquisition related costs

Acquisition related costs of Rs. 192.43 lakhs are included in legal and professional expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

(All amounts in INR Lakhs, unless otherwise stated)

41 Additional information required by Schedule III:

Name of the Entity in the Group	Net Asset i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of consolidated OCI	Amount (Rs. In Lakhs)	As % of TCI	Amount (Rs. In Lakhs)
Foreign subsidiaries								
1. Zensar Technologies Inc. [ZTI]								
March 31, 2017	25.3%	37,240.70	18.7%	4,447.76	48.6%	(880.37)	16.2%	3,567.39
March 31, 2016	26.6%	33,673.31	18.2%	5,330.12	178.9%	1,740.44	23.4%	7,070.56
2. PSI Holding Group, Inc.								
March 31, 2017	0.2%	345.90	-	-	0.4%	(7.48)	0.0%	(7.48)
March 31, 2016	0.3%	353.37	-0.1%	(19.14)	-	-	-0.1%	(19.14)
3. Zensar Technologies IM, Inc (formerly known as Akibia, Inc.)								
March 31, 2017	6.3%	9,282.85	-15.3%	(3,654.78)	4.0%	(72.45)	-16.9%	(3,727.23)
March 31, 2016	10.3%	13,022.98	-4.5%	(1,329.02)	61.6%	599.47	-2.4%	(729.55)
4. Zensar Technologies IM, B.V. (formerly known as Akibia B.V.)								
March 31, 2017	0.9%	1,315.44	0.7%	176.37	6.4%	(116.49)	0.3%	59.89
March 31, 2016	1.0%	1,255.55	0.2%	58.79	15.0%	145.64	0.7%	204.43
5. Professional Access Ltd.								
March 31, 2017	1.3%	1,874.36	3.0%	708.57	3.5%	(63.74)	2.9%	644.84
March 31, 2016	1.0%	1,229.53	1.0%	284.81	-5.1%	(49.20)	0.8%	235.61
6. Zensar Technologies (Singapore) Pte Ltd								
March 31, 2017	0.3%	390.20	-0.2%	(41.13)	2.1%	(37.39)	-0.4%	(78.52)
March 31, 2016	0.7%	899.43	0.7%	195.93	6.1%	58.89	0.8%	254.82
7. Zensar Technology (Shanghai) Company Limited								
March 31, 2017	-0.1%	(176.98)	-0.3%	(73.85)	-	-	-0.3%	(73.85)
March 31, 2016	-0.1%	(117.96)	(0.00)	(13.95)	-0.2%	(1.99)	-0.1%	(15.94)
8. Zensar Technologies (UK) Limited [ZT (UK)]								
March 31, 2017	7.7%	11,313.13	17.0%	4,052.39	83.1%	(1,505.29)	11.6%	2,547.11
March 31, 2016	7.1%	8,934.30	8.8%	2,584.17	16.5%	160.59	9.1%	2,744.76

(All amounts in INR Lakhs, unless otherwise stated)

41 Additional information required by Schedule III: (Contd.)

Name of the Entity in the Group	Net Asset i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit or loss	Amount (Rs. In Lakhs)	As % of consolidated OCI	Amount (Rs. In Lakhs)	As % of TCI	Amount (Rs. In Lakhs)
9. Foolproof Ltd. UK								
March 31, 2017	1.1%	1,633.04	2.1%	499.68	1.0%	(17.40)	2.2%	482.28
March 31, 2016	-	-	-	-	-	-	-	-
10. Knit Ltd								
March 31, 2017	-0.3%	(508.19)	-0.9%	(207.65)	-0.4%	6.67	-0.9%	(200.98)
March 31, 2016	-	-	-	-	-	-	-	-
11. Flow Interactive Ltd.								
March 31, 2017	0.0%	(0.52)	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-	-	-
12. Foolproof Ltd. (Singapore)								
March 31, 2017	0.0%	(51.05)	0.3%	67.44	-0.1%	2.37	0.3%	69.81
March 31, 2016	-	-	-	-	-	-	-	-
13. Zensar (Africa) holdings (Pty) Ltd.								
March 31, 2017	-0.5%	(758.30)	1.0%	239.31	3.8%	(69.55)	0.8%	169.76
March 31, 2016	-0.7%	(928.06)	1.2%	352.70	17.1%	166.53	1.7%	519.23
14. Zensar (South Africa) (Pty) Ltd.								
March 31, 2017	1.7%	2,489.11	6.5%	1,544.91	-	-	7.0%	1,544.91
March 31, 2016	1.1%	1,343.59	3.2%	933.97	-	-	3.1%	933.97
Non controlling Interest in Foreign Subsidiaries								
Zensar (South Africa) (Pty) Ltd.								
March 31, 2017		741.45		350.35		-		350.35
March 31, 2016		391.10		275.03		-		275.03

42 Disclosure on Specified Bank Notes (SBNs)

During the year, the Group had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308 (E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

In INR

	SBNs (#)	Other denomination notes	Total
Balance as at November 8, 2016	**151,000**	**35,359**	**186,359**
Less : Permitted payments	-	575,749	575,749
Less : Amount deposited in banks	176,000	-	176,000
Add : Permitted receipts	25,000	680,000	705,000
Closing balance as at December 30, 2016	**-**	**139,610**	**139,610**

Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated November 08, 2016.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: April 25, 2017

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

Manoj Jaiswal
Chief Financial Officer

Nilesh Limaye
Company Secretary

Place: Pune
Date: April 25, 2017

Zensar Technologies Limited

Zensar Knowledge Park, Kharadi, Plot # 4, MIDC,
Off Nagar Road, Pune - 411014, Maharashtra, India

Tel: +91-20-6605 7500 | Fax: +91-20-6605 7888

marcom@zensar.com | www.zensar.com

ZENSAR TECHNOLOGIES LIMITED

(CIN L72200PN1963PLC012621)

Regd. Off.: Zensar Knowledge Park, Kharadi, Plot # 4, MIDC, Off Nagar Road, Pune 411 014

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 54TH ANNUAL GENERAL MEETING OF THE MEMBERS OF ZENSAR TECHNOLOGIES LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT ZENSAR KNOWLEDGE PARK, PLOT # 4, MIDC, KHARADI, OFF NAGAR ROAD, PUNE 411014 ON WEDNESDAY, 19TH DAY, OF JULY, 2017 AT 12.00 NOON TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Accounts

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Auditors' Report thereon and the Report of the Directors along with the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and the Auditors' Report thereon.

Item No. 2 – Declaration of Dividend

To confirm payment of Interim Dividend and to declare a Final Dividend on Equity Share Capital of the Company for the financial year ended 31st March, 2017.

Item No. 3 – Re - appointment of Mr. Shashank Singh

To re-appoint Mr. Shashank Singh (DIN02826978), who retires by rotation, and being eligible, offers himself for re-appointment. Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Shashank Singh as a Non-executive Director liable to retire by rotation.

Item No. 4 – Appointment of Auditors.

To appoint M/s Deloitte Haskins and Sells LLP as Statutory Auditors, Chartered Accountants, having ICAI Firm Registration No. 117366W/W-100018, as the Auditors of the Company, in place of retiring Statutory Auditors, M/s Price Waterhouse, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2022 and fix their remuneration.

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

RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder as amended from time to time, pursuant to the recommendation of the Audit Committee and the Board of Directors, approval of the Members of the Company be and is hereby accorded for appointment of M/s Deloitte Haskins and Sells LLP, Chartered Accountants, having ICAI Firm Registration No.

117366W/W-100018 as Statutory Auditors of the Company to hold the office from conclusion of this Annual General Meeting (AGM) until conclusion of the AGM to be held in the year 2022 for conducting audit of financial statements of the Company for a period of five years from the Financial year 2017-18 to Financial Year 2021-22 and Board/Audit Committee is authorised to fix the remuneration.

SPECIAL BUSINESS

Item No. 5 – Adoption of New Set of Articles.

To adopt a new set of Articles

Members are requested to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 the Regulations contained in the draft of the new set of Articles of Association placed before the meeting and initialed by the Company Secretary for the purpose of identification be and the same is hereby adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the present Articles of Association of the Company."

FURTHER RESOLVED THAT the Board of Directors of the Company (including a Committee thereof) or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

By Order of the Board of Directors
NILESH LIMAYE
Company Secretary
Membership No A4075

Pune, 25th April, 2017

Zensar Technologies Limited
Regd Office: Zensar Knowledge Park, Plot#4,
MIDC, Kharadi, Off Nagar Road, Pune-411014

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS 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 , proxies are open for inspection for the period beginning before 24 (twenty four) hours from 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. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send certificate true copy of the Board resolution to the Company authorising their representative to attend and vote on their behalf at the Meeting.

3. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) HAS THROUGH A CIRCULAR DIRECTED ALL THE COMPANIES TO PAY DIVIDEND THROUGH ELECTRONIC MODE. ACCORDINGLY ALL THE MEMBERS HOLDING SHARES IN DEMATERIALISED FORM ARE REQUESTED TO KINDLY UPDATE THEIR BANK ACCOUNT DETAILS WITH THEIR RESPECTIVE DEPOSITORY PARTICIPANTS (DP). SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO KINDLY INFORM THEIR BANK ACCOUNT DETAILS TO THE COMPANY AND/OR THE REGISTRAR AND SHARE TRANSFER AGENTS VIZ. SHAREPRO SERVICES (INDIA) PRIVATE LIMITED.

4. 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 authorizing the representative to attend and vote at the Annual General Meeting.

5. In terms of the Provisions of the Companies Act, 2013 and rules made thereunder and Articles of Association of the Company, Mr. Shashank Singh retire by rotation and being eligible offer himself for re-appointment. A brief resume of Mr. Shashank Singh along with nature of his expertise are given herewith and forms part of the notice convening the Annual General Meeting.

6. Members are requested to notify any change in their addresses specifying full address in block letters with PIN code of the post office, to the Company's Registrar and Share Transfer Agents at the following address:

   Bigshare Services Private Limited.
   E-2/3 Ansa Industrial Estate
   Saki Vihar Road, Saki Naka, Andheri (East)
   Mumbai Maharashtra India
   Phone No. - 022 4043 0200

7. Members are requested to bring their copy of the Annual Report with them to the Meeting.

8. Members desiring any information with regard to Accounts/Reports are requested to write to the Company Secretary at least ten days before the Meeting so as to enable the Management to keep the information ready.

9. The Company's Register of Members and Share Transfer Books will remain closed for the purpose of determining eligibility of the shareholders entitled to receive the dividend from 12th July, 2017 to 19th July, 2017 (both days inclusive).

10. Pursuant to the provisions of the Section 205A of the Companies Act, 1956, Company has transferred unpaid Dividend up to the year 2010 remaining unpaid for Seven years to Investors Education and Protection Fund (IEPF). Members who have not encashed their dividend warrants for the subsequent years are requested to send their Dividend Warrants for revalidation to the Company or to its Registrar and Share Transfer Agents.

11. Investors may address their queries/communications to investor@zensar.com and/or investor@bigshareonline.com

12. The Annual Report 2016-17 is being sent through electronic mode only to the Members whose e-mail addresses are registered with the Company/Depository Participant (s) unless any member has requested for physical copy of the Report. For Members who have not registered their e-mail addresses, physical copies of the Annual Report 2016-17 are being sent by permitted mode.

13. To support the Green initiatives taken by Ministry of Corporate Affairs, Members are requested to register their Email Address with Depository Participant /Company so that all communications / documents can be sent in electronic mode.

14. 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.

15. Mr. Sridhar Mudliar, Partner, SVD & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process and Poll in a fair and transparent manner.

16. The Scrutinizer shall within a period not exceeding three (3) working days 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 Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company and/or authorised person of the Company who shall declare the results forthwith.

17. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website

www.zensar.com and on the website of CDSL, www.evotingindia.com and communicated to the Stock Exchanges immediately after declaration.

18. The information and instructions relating to e-voting are as below :

i. The voting period begins on 16th July, 2017 (09:00 a.m.) and ends on 18th July, 2017 (05:00 a.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on 12th July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The shareholders should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders.

iv. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in DEMAT Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your DEMAT account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in DEMAT form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a DEMAT account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Item No. 5 :

The Articles of Association of the Company as currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted pursuant to the provisions under the Companies Act, 1956, from time to time, over the past several years.

Substantive changes made through the amended Companies Act, 2013 require suitable changes in the existing Articles of Association of the Company. Further, the references to the specific sections of the Companies Act, 1956 in the existing Articles of Association, being no longer in conformity with the sections in Companies Act, 2013, hence such references require changes.

Accordingly, the Company proposes to approve and adopt a new set of Articles of Association prepared in consonance with the provisions of the Companies Act, 2013 and Rules made thereunder.

Amendment made in the existing Articles of Association of the Company vide approval of the shareholders through Postal Ballot on 22nd March, 2016 are retained in the proposed new set of Articles of Association.

Mr. Shashank Singh, his relatives, Marina Holdco (FPI) Ltd and Apax Partners may be deemed to be interested in the resolution set out at Item No. 5 of the Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board recommends passing of the resolution as set out under Item No. 5 for approval of the members as special resolution.

A copy of the existing Articles of Association and of the proposed new set of Articles of Association will be open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays and Public Holidays).

ADDITIONAL INFORMATION:

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT

[Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Brief Resume of Mr. Shashank Singh

Shashank Singh is a Partner and Head of the India office of Apax Partners, the global Private Equity fund based out of Europe, having helped to start it in 2007.

Shashank joined Apax in 2004 in London, where he specialised in Tech & Telecom deals. Shashank has led or participated in a number of key deals at Apax including Zensar Technologies Limited, Shriram City Union Finance (SCUF), Chola, GlobalLogic, IGATE, Apollo Hospitals, TIM Hellas, Weather Investments, TDC, Bezeq and Synetrix. He is currently on the Board of GlobalLogic, and was previously on the Boards of IGATE and Apollo Hospitals. He is an Independent Non-executive Director on the Board of Greatship (India) Limited and Dasra (an NGO).

Prior to joining Apax Partners, Shashank was a strategy consultant with Monitor Company, where he advised clients in the telecoms and high technology sectors.

Shashank has an MBA from Harvard Business School (Baker Scholar), a first class MA in economics from Cambridge University and a BA (Hons) with distinction from St. Stephen's College (University of Delhi).

- **Nature of expertise in specific functional areas.**

  Finance, M & A, Corporate Strategy, Restructuring.
- **Inter-se relationship with Directors and Key Managerial Personnel**

  Nil
- **Listed companies (other than Zensar Technologies Limited) in which Mr. Shashank Singh holds Directorship or Committee Membership.**

  Directorship - Shriram City Union Finance Limited

  Committee Membership - Nil
- **Shareholding in the Company.**

  Mr. Shashank Singh does not hold any shares in the company in his individual capacity.

By Order of the Board of Directors
NILESH LIMAYE
Company Secretary
Membership No A4075

Pune, 25th April, 2017

Zensar Technologies Limited
Regd Office: Zensar Knowledge Park, Plot#4,
MIDC, Kharadi, Off Nagar Road, Pune-411014

[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

ZenSar

CIN: L72200PN1963PLC012621

Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road Pune – 411014

investor@zensar.com | www.zensar.com

54th Annual General Meeting – July 19, 2017

Name of the member(s) :

Registered address :

Email ID :

Folio No./Client ID :

DP ID :

TEAR HERE

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 54th Annual General Meeting of the Company, to be held on Wednesday, July 19, 2017, 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
Ordinary business	
1	Adoption of Accounts
2	Declaration of Dividend
3	Re - appointment of Mr. Shashank Singh
4	Appointment of Auditors
Special business	
5	Adoption of new set of Articles

Signed this ..... day of 2017

Signature of the member : _____

Signature of Proxy holder(s) : _____

Affix Revenue Stamp of not less than ₹ 1

Note :

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 July 17, 2017 at 12:00 Noon IST.)

2. 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 appropriateosited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Attendance Slip

ZenSar

CIN: L72200PN1963PLC012621
Zensar Knowledge Park, Plot#4, MIDC, Kharadi, Off Nagar Road Pune – 411014
investor@zensar.com | www.zensar.com

54th Annual General Meeting – July 19, 2017

Registered Folio no. / DP ID no. / Client ID no.:

Number of shares held:

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 54th 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 Wednesday, July 19, 2017, at 12:00 Noon IST.

TEAR HERE

……..... ……

Name of the member / proxy (in BLOCK letters) Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

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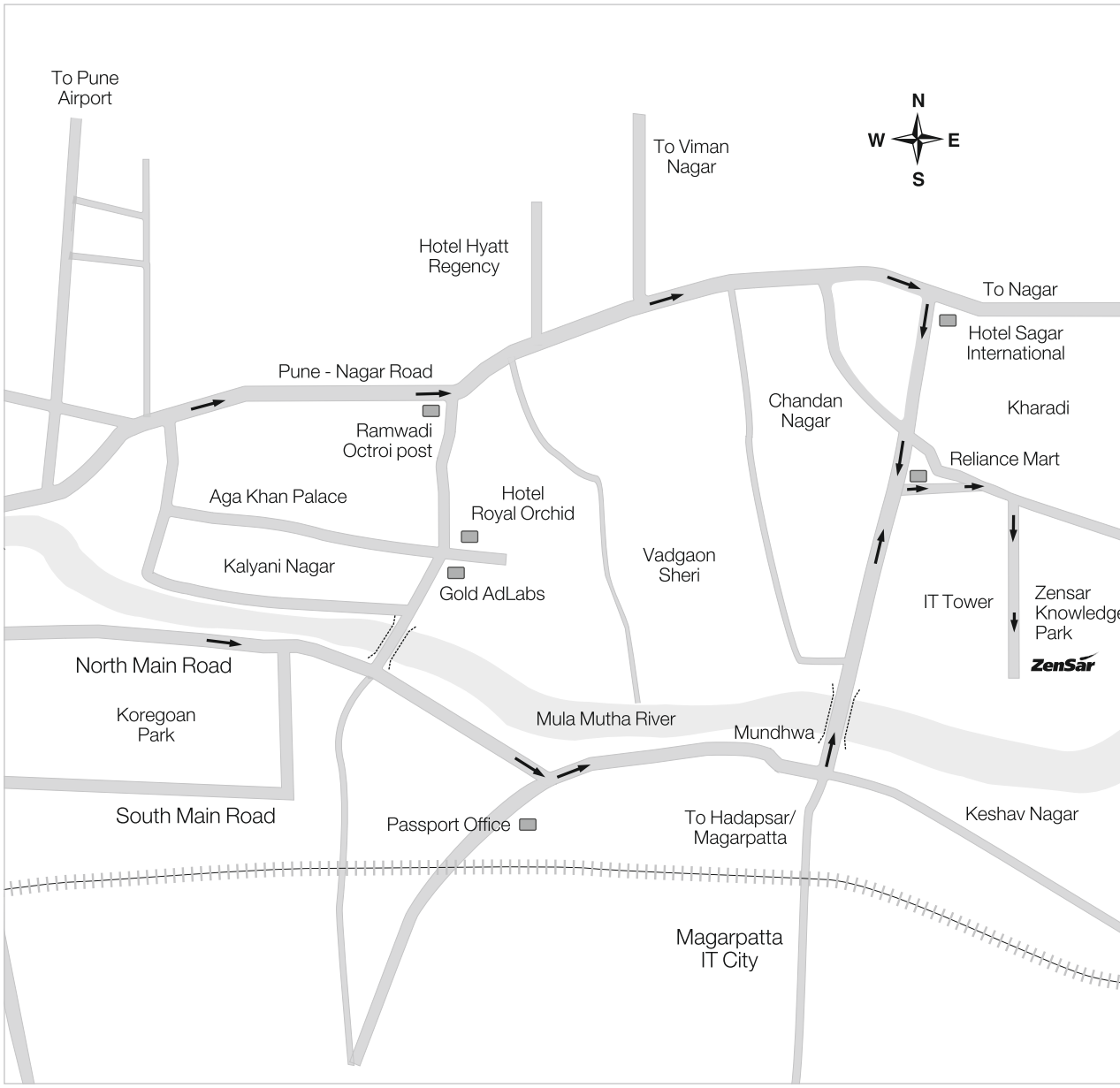
Route map to the venue of the AGM



Zensar Technologies Ltd., Zensar Knowledge Park, Kharadi,
Plot #4, MIDC, Off Nagar Road, Pune 411 014, India
Tel: +91(20)66074000, 27004000 Fax: +91(20)66074433

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