

**TRANSCRIPT OF PROCEEDINGS OF 58<sup>TH</sup> ANNUAL GENERAL MEETING OF MEMBERS OF ZENSAR TECHNOLOGIES LIMITED HELD THROUGH VIDEO CONFERENCING (VC)/ OTHER AUDIO-VISUAL MEANS (OAVM) ON TUESDAY, SEPTEMBER 28, 2021 AT 03:00 P.M.**

**PARTICIPANTS:**

**Mr. Harsh Vardhan Goenka**

Chairman

**Mr. Ajay Bhutoria**

Chief Executive Officer and Managing Director

**Mr. A.T. Vaswani**

Non-executive, Independent Director

**Mr. Arvind Nath Agrawal**

Non-executive, Independent Director

**Mr. Shashank Singh**

Non-executive, Nominee Director

**Mr. Ketan Dalal**

Non-executive, Independent Director

**Mr. Harsh Mariwala**

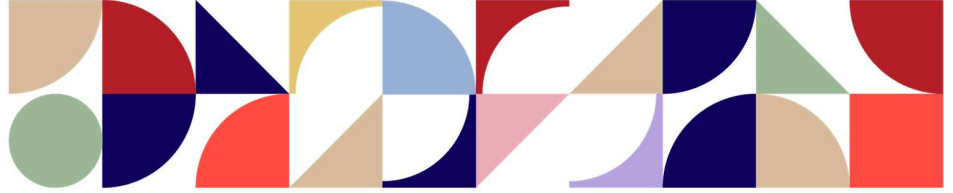
Non-executive, Independent Director

**Mr. Anant Vardhan Goenka**

Non-executive, Director

**Ms. Radha Rajappa**

Non-executive, Independent Director

**MR. HARSH GOENKA:**

“Good Afternoon Members! I hope that you and your family are safe and fine.

I take great pleasure in welcoming you all to the 58<sup>th</sup> Annual General Meeting of your Company. The quorum being present, the meeting can now start.

In view of the continuing COVID-19 pandemic, and to ensure social distancing norms, this 58<sup>th</sup> Annual General Meeting of the Company is convened through Video Conferencing or Other Audio-Visual Means, in accordance with various circulars issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India in this regard and in compliance with the applicable provisions of the Companies Act 2013 and SEBI Listing Regulations 2015.

I would like to introduce the fellow members of Board, who are present in this meeting.

- Mr. Ajay Singh Bhutoria, Chief Executive Officer and Managing Director of the Company
- Mr. A. T. Vaswani - Non- Executive, Independent Director and Chairman of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee
- Mr. Arvind Agrawal - Non- Executive, Independent Director and Chairman of CSR Committee
- Mr. Shashank Singh – Non- Executive, Non-Independent Director
- Mr. Ketan Dalal - Non- Executive, Independent Director
- Mr. Harsh Mariwala - Non- Executive, Independent Director
- Mr. Anant Goenka - Non- Executive, Non-Independent Director
- Ms. Radha Rajappa - Non- Executive, Independent Director

Mr. Venkatesh Kasturirangan and Mr. Ben Druskin, Non- Executive, Independent Directors of the Company could not attend this AGM.

**MR. HARSH GOENKA:**

Representatives of Statutory Auditors “Deloitte Haskins & Sells LLP” and Secretarial Auditors “SVD & Associates” are also attending this meeting.

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The Company has received 16 Corporate Authorizations, representing 136,585,292 equity shares of the Company constituting about 60.52 % of the paid-up equity share capital of the Company. There is no proxy facility available for this meeting.

The Register of Directors & KMPs (including their shareholding) maintained under Section 170 and Register of Contract maintained under section 189 of the Companies Act, 2013, are available for inspection electronically and the Members may send their request to inspect the same.

The Notice of the Annual General Meeting along with Integrated Annual Report of the Company for FY 2020-21 have already been sent to the Members through electronic mode, in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. We, therefore, take the AGM notice as read.

As the Statutory Auditors' Report and the Secretarial Auditors' Report do not contain any qualification, observation or adverse comment, it is not required to read these Reports at the meeting.

Now I would like to brief the Members on the operational and financial performance of the Company.

The Annual Report along with the Audited Accounts of the Company for the financial year ended 31st March 2021 have been with you for some time and I hope that you have gone through the same.

Ever since the outbreak of the pandemic in early 2020 the world has been experiencing unprecedented disruptions both in general day to day life as well as in business operations. At Zensar, we ensured uninterrupted business continuity in meeting the needs of clients. Even as several associates continue to work remotely, the company has taken steps to optimize costs, manage operations, and steer clients through the uncertainties of the pandemic.

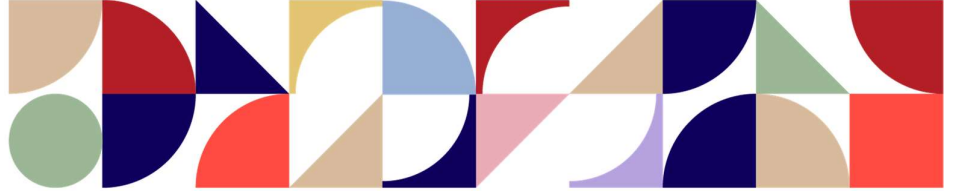
Zensar's emergency response teams continue to hold the workforce's safety and wellbeing as the highest priority. Zensar introduced various initiatives and wellness programs, including focus on mental health besides vaccination camps for its associates.

For the year ended 31st March 2021, after adjusting for the Third-Party Maintenance (TPM) business, which was hived off during the year, on a consolidated basis, Zensar's revenue de-grew by about 8.5% to Rs. 3,668.2 Cr from Rs. 4,010.2 Cr during the previous year. The performance was significantly better on the profitability front, with EBITDA growing by about 35.8% to Rs. 684.1 Cr compared to Rs. 503.7 Cr last year. Net profit increased by 33.0% to Rs. 349.7 Cr as against Rs. 262.9 Cr in FY20.

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Considering the sustained performance of the Company in the financial year 2020-21, the Board has recommended a Final Dividend of 120%, which along with the interim dividend of 60% translates to a total dividend of 180%.

Zensar's digital platforms suite helped clients optimize their customer experiences while seamlessly working from home during the pandemic. Zensar now has 78 clients in the \$1 Mn+ valuation range, 24 in the \$5 Mn+ bracket, and 7 in the \$10 Mn+ clients. Key wins in FY21 included a digital commerce company, a testing mandate for a leading American retail store chain, application maintenance services for a US-based conglomerate, a hi-tech enterprise and a global risk management company, cloud services for a US-based civic body, digital services for a US-based insurance service provider and Customer Experience (CX) services for a US-based entertainment brand to name a few.

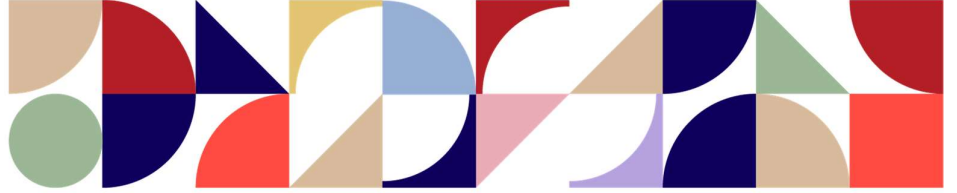
Recently, Zensar launched its new corporate brand and logo. The new brand identity will further strengthen the company's go-to-market strategy as it better represents the services and better articulates the value proposition to the market. The pandemic has led to a structural shift in digital transformation, creating customer experience, software engineering and cloud-based transformational opportunities. The company is in a strong position to harness these possibilities through its robust capabilities and approach that focuses on changing client needs.

Zensar's partnerships have grown well, driving collaborative efforts in powering solutions and platforms including world's leading software and technology providers such as Oracle, Adobe, Salesforce, SAP, Guidewire, Microsoft Azure, GCP, AWS, PEGA, Automation Anywhere, and many others.

The Company's recent acquisition of M3bi reinforces its advanced engineering and data analytics capabilities that allows it to deliver maximum business impact.

Zensar is also co-innovating with its partners across a range of services, including Oracle Cloud ERP, Digital Experience Accelerator, SAP on Cloud, banking and retail CRM, omnichannel experience, customer journey enhancement, Salesforce Lightning, and Insure Ark. These partner-enabled solutions, along with the company's newly acquired capabilities, allow it to cater to a gamut of requirements and become the partner of choice for clients.

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Zenlabs is an internal innovation hub and continues to power research and development efforts in cutting-edge technologies while housing some of the best talent in India. The primary focus remains to leverage the latest in technology and help unlock new capabilities for clients. Zensar has filed 20 unique patents in FY21, a true testament to the ground-breaking R&D efforts and industry thought leadership.

Zensar made significant strides in building and developing relationships with the global advisor, analyst and customer communities who are critical stakeholders of the Company.

Zensar has always been an organization that has focused on the more significant cause of supporting the communities that it operates in. Through the pandemic, Zensar has leveraged technology for humanitarian purposes—from upskilling local communities to vocational training and digital literacy programs.

During Q1 of FY22, the Company reported revenues of Rs 936.8 Cr with a sequential QoQ growth of 6.8%. Net Profit grew by 11.7% on a QoQ basis as well to Rs.101.0 Cr. Zensar ended the quarter with a healthy net cash position of Rs. 1,360 Cr. The numbers were driven by healthy performance in the key verticals of Hi-Tech, Manufacturing and Financial Services and growth momentum in operations across the US and South Africa region.

In conclusion, I would like to place on record our grateful appreciation to all our customers, banks, employees and most importantly, you the shareholders, for your continued support.

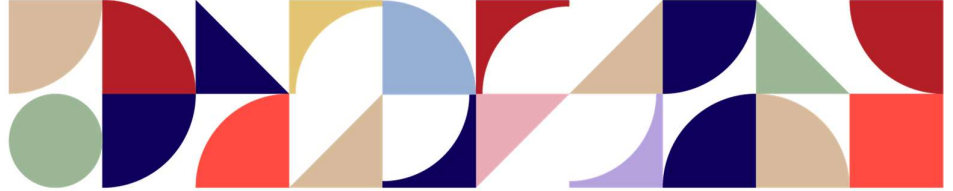
I would now request Gaurav Tongia, Company Secretary of the Company, to make an announcement with respect to e-voting facility which has been activated for voting at the AGM.

**MR. GAURAV TONGIA:**

Thank You Sir.

Dear Members,

Good Afternoon:



In compliance with the relevant provisions of Companies Act 2013, Rules made thereunder and SEBI Listing Regulations, the Company provided the facility to the Members to exercise their right to vote on the businesses proposed to be transacted at this AGM through remote e-voting for the period commencing from Saturday, September 25, 2021 (From 9:00 a.m. IST) to Monday, September 27, 2021 (Up-to 5:00 p.m. IST).

In order to facilitate voting to those Members, who have not exercised their right to vote through remote e-voting, the Company has also provided facility to vote at this AGM through e-voting platform of NSDL.

Mr. Sridhar Mudaliar, Partner, SVD & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer for remote e-voting as well as e-voting at this AGM, who would scrutinize the votes and hand over the combined report on voting on or before September 30, 2021.

Upon receipt of the result of voting along with the Scrutinizer's Report, the same shall be uploaded on the website of the Company, NSDL and shall also be submitted to the Stock Exchanges.

Since this meeting is being held through Video Conference/Other Audio-Visual Means and the resolutions mentioned in the Notice convening this meeting have already been put to the vote through "remote e-voting" there is no proposing and seconding of resolutions.

Thank you! I now request the Chairman to please continue with the proceedings.

***MR. HARSH GOENKA:***

The Company had provided the facility to the Members to register themselves in advance by sending request from their registered email id to express their views/ask questions during the AGM.

We have received one request from a shareholder, Mr. Shashikant Marathe. As I call out his name the host will unmute him and he may please put on the video and speak.



**MR. SHASHIKANT MARATHE:**

Hello

**MR. HARSH GOENKA:**

Yes, Mr. Marathe we can hear you

**MR. SHASHIKANT MARATHE:**

Good Afternoon to you, at the outset I would like to request you to have the meeting beyond stock exchange hours, as it is a double whamy, we missed your lunch as well as we missed the opportunity to make money at the bourses.

Chairman, Sir, I am proud of you for steering Zensar to new heights, except top line, in difficult times; it was great that the margins are now 9.5%. You cater positively for 134 customers. Congratulations for IR compliant reporting. You will recall I suggested for this as also for other new models such as EVA, Global compact, Sustainability report etc., immediately on noticing these in other units. Thankful to you for implementing these as per your strategy.

We appreciate the contributions from the concerned employees who made it possible for ZENSAR to bag various awards, listed one full Page (7). What contribution according to you will be the outcome of your Happiness Initiative to key financial parameters in 22-23?

With four verticals- banking, Construction, IT and reality-Digital Application Services generate 85% and balance by Foundation services-any major change in the share of these two main revenues contributing segments.

With digitalization, Block Chain AI etc., applications, is it advisable to state business per employee; as this may give wrong impression to them, because you have other alternatives which boost the business. It is noted that % of temporary to total strength is lowest in 20-21 during last 4 years-how much was this due to Pandemic woes?

When you claim gender equity, it is surprising to note that female employees on an average got 12+ training hours than men.

Please discuss rational in plotting "Importance to business aspects" (out of 23 total plotting) 6 for social; 4 for governance, 1 for environment and balance 12 for CSG.

Most of the countries do discourage contracting business- and yet you claim this to be advantages from business viewpoint- Is cost benefit ratio is the prime factor.



CEO states that he immersed in ZENSAR before taking reins. Can he disclose whether he noticed two elements namely weakness / threats to Zensar as he rightly assessed the other two- Strength and Opportunities (out of SWOT analysis). CEO to spell out his plans to address, his findings, if any, on Zensar's weaknesses as well as threats.

When you expect the proposed merger will take place? Time is money hence you must act swiftly. Disclose cost of new acquisitions and merger of 4-units- based in US into Zensar.

What would be the contribution of two more acquisitions finalized in July 21 on 2021-22 balance sheet?

Bad debts write off this year of Rs.3,133 lakhs reflect adversely on Management. Unpaid statutory due are higher at Rs 771 lakhs.

In view of WFA culture, what are the savings on natural resources and reduction of emissions as well as decreasing hazardous gases. Whether it is exaggerated, because most is due to WFA.

One must dispassionately take into consideration woes of employees due to WFA, as media reports psychological disruptions a new mental illness. Let us be realistic and at right opportunity we reward our employees for excellent co-operation at a cost of loss of several social relations. Man is a social animal and hence we compensate him for loss of this due to WFA.

I hope all employees survived pandemic woes, if not, I would suggest we plant fruit trees in our premises, in memory of deceased employee/s if any. I will give few saplings, grown in my plot, if you so wish.

I am sorry for my frank assessment for factors responsible for growth in PBT/PAT- I am looking at this from a factual data. I hope you will consider this; I am not going to spell out the factual data, but it appears that the employee's contribution was a major part for good results.

Cash from operations rose from Rs. 39,343 to whopping 87,720 lakhs for 2020-21; due this working capital requirements reduced as also financial charges.

Imports reduced by 2,277 lakhs resulted less pressure on cash

Power saving of Rs 520 Lakhs due to less occupancy, worldwide travel bans reduced travelling cost YOY by Rs. 3,717 lakhs.





Receivables reduced by 7,689 lakhs to that extent there was relief on working capital. The total reduction as above comes to Rs. 4,237/- added to this working capital requirements reduced and then it would have a different picture on our profitability. Your CSR activities are good, you are spending whatever you have committed.

On critical analysis chairman, Sir Zensar has done exceedingly well and I wish that you to make a history of higher financial ratios in the coming years. I thank the secretarial team in sorting out my various problems, so that I am now in the position to speak at the AGM. Thank you for giving me an opportunity, in case I have given any displeasing report, I may be excused, because it is not my intention to criticize Zensar but to ensure it always give progress. Thank you very much Sir.

**MR. HARSH GOENKA:**

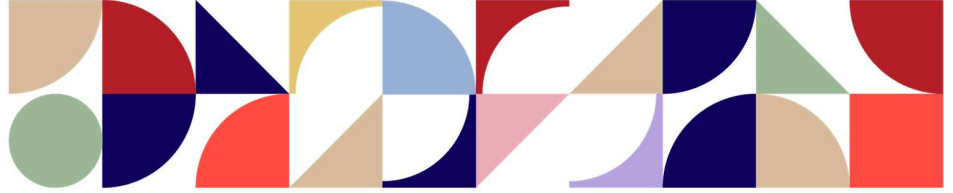
Sir, we very much value your suggestions, thank you very much for some of the very interesting suggestions given and also for your words of encouragement.

On the happiness initiative this is something unique at Zensar, as you will agree that happiness is the most central thing towards the human being and towards an organisation. We have initiative happiness to be very central movement and we have now also started capturing what is the happiness quotient of an employee and we have also taken a lot initiative towards mental wellbeing and physical wellbeing of our associates.

As far as major verticals are concerned, I would look into as 4 verticals, the largest verticals for us is Hi-tech and manufacturing– which is over 50% of the business, around 15% is Retail and Consumer Services and Banking and Financial services is around 30%.

While automation / newer tools and technology is really changing the way, business is delivered – revenue per employee becomes very important with increase in digitalization, it is very important metric that we want to track in future. The reduction in temporary staff was business decision, regarding the training hours it a bit mathematical because freshers need higher training and a lot more female hiring has been done in recent past and therefore it is greater training of the female gender.

The ESG topics were scored based on what is relevant for Zensar, and the Company would be more instrumental with consultative inputs from the leadership team at Zensar. Subcontracting is a very integral part of the strategy to source talent at the marketplace, which is used by IT Companies, basically not only it helps us to take care of resource availability plus also some time we need niche skills.



If you asked, and you had discussion with CEO what is the weakness of the organisation, one of the weakness has been are hunting capabilities and we are working hard to see how we can improve upon that. And in terms of the threat, its always a big threat how do you balance growth with maintaining margins, and in the recent past we have also seen an attrition to be a major threat, right across IT business because of it's very hot sector just now. As far as the merger of Cynosure is concerned it should be happening anytime. The one acquisition that we did last year was M3bi, the revenue of the company was USD 26.75 Mn. and it is doing reasonably well in the current business year.

Bad debts have been written off, they have earlier provided for, this year we took the hit. And the WFA culture, as you said has helped us in a fare amounts of savings and we are trying to see, there are plus and minus of Work From Home, but we try to how we can create the best working environment for our people. Most of our people are still working out of home and in no way the efficiency of the organization has suffered and as indicated WFA has indeed reduced utility consumption, travel cost and emissions and some amount of improvement in margins is because of that but also because of levers like capacity utilization, onshore-offshore mix, reduction in the subcontracting cost, better cash flow and I thank for your very humane suggestion of having trees planted as we have 7 unfortune deaths of our people, thanks to Covid. We would definitely honor them, by having a tree. Gaurav would you take care of that.

**MR. GAURAV TONGIA:**

Definitely Sir.

**MR. HARSH GOENKA:**

I thank You very much. I take this opportunity to place on record to all our stakeholders.

I once again thank the Members of the Company for attending this 58<sup>th</sup> Annual General Meeting of the Company. I declare that the meeting is concluded.

Now those Members, who have not voted through remote e-voting may cast their votes during next 15 minutes. I authorize the Company Secretary to receive the combined voting results from the Scrutinizer and submit the same to the Stock Exchanges.

Thank you

**MR. GAURAV TONGIA:**

Thank You Sir.