# Zensar Technologies Limited

March 26, 2018

## Summary of rated instruments

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|
| Long/short term fund based facilities | 140.00 | 140.00 | [ICRA]AA+&/ [ICRA]A1+&; Placed on ratings watch with developing implications |
| **On Total** | **140.00** | **140.00** | |

&: ratings watch with developing implications

## Material Event

Zensar Technologies Limited (Zensar/ the company) announced the acquisition of Cynosure Interface Solutions Private Limited ("Cynosure India") on 21st March 2018 for a consideration not exceeding INR 13 crores (equivalent to $2 million) and its wholly owned subsidiary, Zensar Technologies Inc. announced the acquisition of Cynosure Inc. for an upfront consideration of $ 31 million followed by performance-based pay-outs in the following 24 months. The acquisition is planned to be funded through a mix of internal accruals and external debt and is expected to be completed in the next three months. Cynosure Inc. focuses on providing Guidewire platform implementation services to Property and Casualty (P&C) insurance carriers. Cynosure had clocked revenues of US$20 million in CY2017. Zensar's Insurance business spans global clients largely in the P&C space. The addition of Cynosure will enable Zensar to have platform capabilities for the insurance segment that will fuel the company's in the Insurance software market. The Insurance vertical currently accounts for approximately 15% of Zensar's total business.

## Impact of the Material Event

ICRA has taken note of the above event and sought information to gain clarity on the potential impact on Zensar's operational and financial profile and placed the ratings of ICRA]AA+ (pronounced ICRA double A plus) and [ICRA]A1+ (pronounced ICRA A one plus) outstanding on the Rs. 140 crore long/short-term fund-based bank facilities of Zensar on ratings watch with developing implications.

**The previous detailed rating rationale is available on the following link:** Click here

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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