

Zensar Technologies Limited
Registered Office : Mile Post No. 4, Nagar Road, Pune 411 014
Unaudited Financial Results for the Quarter Ended 31st December 2005

(Rs. Lakhs)

		Unaudited		Audited		Consolidated					
		Quarter ended		Nine months ended		Year ended	Quarter ended		Nine months ended		Year ended
		31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.03.2005	31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.03.2005
1	Net Sales / Income from Operations	6004	4791	16333	13122	17631	10928	9097	30356	25304	34489
2	Other Income	105	192	257	380	413	125	252	330	455	465
3	Total Income (1+2)	6109	4983	16590	13502	18044	11053	9349	30686	25759	34954
4	Total Expenditure										
	a) Manpower Cost	3461	2774	10129	7735	10771	7206	6324	20806	17497	24115
	b) Others	1432	1223	3849	3081	4314	2247	1917	6317	5327	7303
	Total	4893	3997	13978	10816	15085	9453	8241	27123	22824	31418
5	Interest and finance cost	40	21	102	43	70	47	24	119	56	90
6	Depreciation	382	329	1108	825	1173	395	346	1143	875	1230
7	Profit before taxation, foreign currency translation adjustment, exceptional item and minority interest (3-4-5-6)	794	636	1402	1818	1716	1158	738	2301	2004	2216
8	Foreign Currency Translation Adjustment	-	-	-	-	-	-	-	-	-	262
9	Profit before taxation, Prior period Adjustments, exceptional item and minority interest (7-8)	794	636	1402	1818	1716	1158	738	2301	2004	1954
10	Less : Provision for taxation - current tax	17	13	47	45	64	251	31	425	74	113
11	Less : Provision for taxation - deferred tax	-	-	-	-	-	(87)	10	(37)	125	123
12	Less : Fringe Benefit Tax (FBT)	30	-	90	-	-	30	-	90	-	-
13	Add : Tax adjustments in respect of earlier years	-	-	-	-	-	(25)	3	(16)	71	51
14	Net Profit after tax and before Prior period Adjustment, Exceptional Item and minority interest (9-10-11-12+13)	747	623	1265	1773	1652	939	700	1807	1876	1769
15	Prior period Adjustment	-	-	52	-	-	-	-	52	-	-
16	Exceptional Item	-	-	-	-	2107	(89)	-	(89)	-	2107
17	Net Profit after tax, Exceptional Item and before minority interest (14-15+16)	747	623	1213	1773	3759	850	700	1666	1876	3876
18	Minority Interest	-	-	-	-	-	(10)	26	7	26	32
19	Net Profit after tax, Exceptional Item and minority interest (17+18)	747	623	1213	1773	3759	840	726	1673	1902	3908
20	Paid-up Equity Share Capital (Shares of Rs.10 each)	2343	2329	2343	2329	2334	2343	2329	2343	2329	2334
21	Reserves excluding Revaluation Reserves	-	-	-	-	9926	-	-	-	-	12961
22	Earnings per Share (par value Rs.10 each)										
	Basic	3.19	2.67	5.18	7.61	16.14	3.59	3.12	7.15	8.17	16.78
	Diluted	3.14	2.66	5.11	7.58	15.97	3.54	3.11	7.05	8.13	16.61
23	Aggregate of Non Promoter Shareholding										
	a) Number of Shares			9595671	9459030	9506711			9595671	9459030	9506711
	b) Percentage			41%	41%	41%			41%	41%	41%

Segment wise Revenue, Results & Capital employed for the quarter ended 31st December 2005

		Unaudited	
		31.12.2005	
		Quarter ended	Nine Months ended
1	Segment Revenue (net of inter segment Revenue)		
	Application Portfolio Management (APM)	6,357	18,291
	Enterprise Application Services (EAS)	2,383	6,043
	Innovative Technology Solutions (ITS)	1,545	4,184
	Business Process Outsourcing and optimization (BPO)	285	621
	Others	358	1,217
	Total	10928	30356
	Less: Inter segment revenue	-	-
	Net Sales / Income from Operations	10928	30356
2	Segment Results Profit/(Loss) before Interest, Depreciation and Tax		
	Application Portfolio Management (APM)	1,182	3,300
	Enterprise Application Services (EAS)	174	301
	Innovative Technology Solutions (ITS)	147	122
	Business Process Outsourcing and optimization (BPO)	(141)	(455)
	Others	27	90
	Total	1,389	3,358
	Less: Interest and finance cost	47	119
	Less: Depreciation	395	1143
	Add : Unallocable income net of unallocable expenditure	211	205
	Total Profit before Tax (before minority interest)	1158	2301
	Add : Minority Interest	(10)	7
	Total Profit before Tax	1148	2308

Segment Capital Employed

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

Notes :

- 1 The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at its meeting held on 19th January 2006.
- 2 The consolidated financial results include the results of Zensar Technologies Limited's subsidiaries in USA, UK, Singapore, India, Germany and China.
- 3 The Company acquired OBT Global Pvt Ltd and OBT Global Inc. on the 12th of December 2005. The Consolidated Results include the results of OBT from the date of acquisition. The Exceptional item in the current quarter is an expense of Rs.89 lakhs being a one-time transfer bonus payable to the employees of OBT.
- 4 The Limited Review, under clause 41 of the Listing Agreement has been carried out by the Statutory Auditors. The report does not contain anything which would have any impact on the results for the quarter ended 31st December 2005.
- 5 In order to bring a sharper focus on new business opportunities, the Company has restructured its operations into four Strategic Business Units (SBUs). Consequently it is not possible to give comparable figures of SBU performance for the corresponding previous period. The previous segments were IT and BPO. The performance of the current SBUs for the quarter and nine months ended 31st December 2005 has been disclosed in the segment results.
- 5 During the quarter and nine months ended 31st December 2005 the Company issued 5223 and 94183 equity shares respectively, pursuant to the exercise of stock options by certain employees under the "2002 ESOP" stock option plan.
- 6 Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 31st December 2005

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	-	34	34	-

- 7 Figures for the previous quarter, nine months and year have been regrouped wherever necessary.

For and on behalf of the Board

Mumbai
Date: 19th January 2006.

Ganesh Natarajan
Deputy Chairman & Managing Director