

Zensar Technologies Limited
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014 , India
Financial Results for the Year Ended 31st March 2006

		(Rs. Lakhs)							
		Unaudited		Audited		Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
1	Net Sales / Income from Operations	6576	4509	22909	17631	12523	9185	42879	34489
2	Other Income	111	33	368	413	133	10	463	465
3	Total Income (1+2)	6687	4542	23277	18044	12656	9195	43342	34954
4	Total Expenditure								
	a) Manpower Cost	3596	3036	13725	10771	8186	6618	28992	24115
	b) Others	1252	1233	5101	4314	2159	1976	8476	7303
	Total	4848	4269	18826	15085	10345	8594	37468	31418
5	Interest and finance cost	35	27	137	70	42	34	161	90
6	Depreciation	386	348	1494	1173	404	355	1547	1230
7	Profit / (Loss) before taxation, foreign currency translation adjustment, prior period expenses, exceptional items and minority interest (3-4-5-6)	1418	(102)	2820	1716	1865	212	4166	2216
8	Foreign Currency Translation Adjustment	-	-	-	-	-	262	-	262
9	Profit / (Loss) before taxation, prior period expenses, exceptional item and minority interest (7-8)	1418	(102)	2820	1716	1865	(50)	4166	1954
10	Prior period expenses	166	-	218	-	166	-	218	-
11	Less : Provision for taxation	(47)	19	-	64	1	37	389	236
12	Less : Fringe Benefit Tax (FBT)	-	-	90	-	3	-	93	-
13	Add : Tax adjustments in respect of earlier years	-	-	-	-	(48)	(20)	(64)	51
14	Net Profit / (Loss) after tax and before Exceptional Items and minority interest (9-10-11-12+13)	1299	(121)	2512	1652	1647	(107)	3402	1769
15	Exceptional Item (net of tax)(Income /(Expense))	-	2107	-	2107	32	2107	(57)	2107
16	Net Profit after tax, Exceptional Item and before minority interest (14+15)	1299	1986	2512	3759	1679	2000	3345	3876
17	Minority Interest	-	-	-	-	41	6	48	32
18	Net Profit after tax, Exceptional Item and minority interest (16+17)	1299	1986	2512	3759	1720	2006	3393	3908
19	Paid-up Equity Share Capital (Shares of Rs.10 each)	2344	2334	2344	2334	2344	2334	2344	2334
20	Reserves excluding Revaluation Reserves	-	-	11844	10538	-	-	15777	13573
21	Earnings per Share (par value Rs.10 each)								
	Basic	5.54	8.52	10.73	16.14	7.34	8.58	14.49	16.64
	Diluted	5.46	8.38	10.58	15.97	7.23	8.43	14.29	16.47
22	Aggregate of Non Promoter Shareholding								
	a) Number of Shares			9606302	9506711			9606302	9506711
	b) Percentage			41%	41%			41%	41%

Segment wise Revenue, Results & Capital employed for the year ended 31st March 2006

		Unaudited	Audited
		31.03.2006	
		Quarter ended	Year ended
1	Segment Revenue (net of inter segment Revenue)		
	Application Portfolio Management (APM)	6,881	25,172
	Enterprise Application Services (EAS)	3,257	9,300
	Innovative Technology Solutions (ITS)	1,602	5,786
	Business Process Outsourcing and optimization (BPO)	364	985
	Others	419	1,636
	Total	12523	42879
2	Segment Results Profit/(Loss) before Interest, Depreciation and Tax		
	Application Portfolio Management (APM)	1,768	5,068
	Enterprise Application Services (EAS)	326	627
	Innovative Technology Solutions (ITS)	227	349
	Business Process Outsourcing and optimization (BPO)	(95)	(550)
	Others	(67)	23
	Total	2,159	5,517
	Less: Interest and finance cost	42	161
	Less: Depreciation	404	1547
	Add : Unallocable income net of unallocable expenditure	152	357
	Total Profit before Tax (before minority interest)	1865	4166

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 20th April 2006.
- 2 The consolidated financial results include the results of Zensar Technologies Limited's subsidiaries in USA, UK, Singapore, India, Germany and China. 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.
- 3 The Statutory Auditors have carried out the audit for the year ended 31st March 2006. There are no qualifications in the audit report.
- 4 In the last quarter of the year, the Company undertook a review of the commercial terms of its business with its subsidiaries and made a revision in the terms with effect from 1st April 2005. This has had a favourable impact of an amount of Rs. 161 lakhs on profit before tax of which Rs. 127 lakhs pertains to the nine months ended 31st December 2005. However, this has not had any impact on the consolidated result.
- 5 In order to bring a sharper focus on new business opportunities, the Company restructured its operations into four Strategic Business Units (SBUs) in the current year. Consequently it is not possible to give comparable figures of SBU performance for the corresponding previous period and year. The previous segments were IT and BPO. The performance of the current SBUs for the quarter and year ended 31st March 2006 has been disclosed in the segment results.
- 6 Prior period expenses in the current quarter and year ended 31st March 2006 relate to certain anticipated cost pertaining to manpower expenses in overseas countries.
- 7 During the quarter and year ended 31st March 2006 the Company issued 5408 and 99591 equity shares respectively, pursuant to the exercise of stock options by certain employees under the "2002 ESOP" stock option plan.
- 8 Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 31st March 2006

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	-	62	62	-

- 9 Figures for the previous quarter and year have been regrouped wherever necessary.
- 10 The Board of Directors at their meeting have proposed a dividend of Rs. 2.60 per share (26% on Equity share of par value of Rs.10 each) subject to the approval of the shareholders.

For and on behalf of the Board

Mumbai
Date: 20th April 2006.

Ganesh Natarajan
Deputy Chairman & Managing Director