

Zensar Technologies Limited
Registered Office : Zensar Knowledge Park, Kharadi, Plot # 4 , MIDC, Off Nagar Road, Pune - 411014 , India
Unaudited Financial Results for the Quarter Ended 30th June 2006

| | | (Rs. Lakhs) | | | | | |
|----|--------------------------------------------------------------------------------------------------|---------------|------------|------------|---------------|------------|------------|
| | | Unaudited | | | Consolidated | | |
| | | Quarter ended | | Year ended | Quarter ended | | Year ended |
| | | 30.06.2006 | 30.06.2005 | 31.03.2006 | 30.06.2006 | 30.06.2005 | 31.03.2006 |
| 1 | Net Sales / Income from Operations | 6680 | 5054 | 22909 | 13778 | 9493 | 42879 |
| 2 | Other Income | 167 | 80 | 368 | 254 | 112 | 463 |
| 3 | Total Income (1+2) | 6847 | 5134 | 23277 | 14032 | 9605 | 43342 |
| 4 | Total Expenditure | | | | | | |
| a) | Manpower Cost | 3906 | 3177 | 13725 | 8994 | 6611 | 28992 |
| b) | Others | 1643 | 1282 | 5101 | 2789 | 2088 | 8476 |
| | Total | 5549 | 4459 | 18826 | 11783 | 8699 | 37468 |
| 5 | Interest and finance cost | 35 | 28 | 137 | 43 | 33 | 161 |
| 6 | Depreciation | 332 | 361 | 1494 | 348 | 372 | 1547 |
| 7 | Profit before taxation, prior period expenses, exceptional items and minority interest (3-4-5-6) | 931 | 286 | 2820 | 1858 | 501 | 4166 |
| 8 | Prior period expenses | - | - | 218 | - | - | 218 |
| 9 | Less : Provision for taxation | 18 | 17 | - | 366 | 97 | 389 |
| 10 | Less : Fringe Benefit Tax (FBT) | 22 | 30 | 90 | 23 | 30 | 93 |
| 11 | Less : Tax adjustments in respect of earlier years | - | - | - | - | (9) | 64 |
| 12 | Net Profit after tax and before Exceptional Items and minority interest (7-8-9-10-11) | 891 | 239 | 2512 | 1469 | 383 | 3402 |
| 13 | Exceptional Item (net of tax) | - | - | - | - | - | 57 |
| 14 | Net Profit after tax, Exceptional Item and before minority interest (12-13) | 891 | 239 | 2512 | 1469 | 383 | 3345 |
| 15 | Minority Interest | - | - | - | (1) | 10 | 48 |
| 16 | Net Profit after tax, Exceptional Item and minority interest (14+15) | 891 | 239 | 2512 | 1468 | 393 | 3393 |
| 17 | Paid-up Equity Share Capital (Shares of Rs.10 each) | 2351 | 2338 | 2344 | 2351 | 2338 | 2344 |
| 18 | Reserves excluding Revaluation Reserves | | | 11844 | | | 15777 |
| 19 | Earnings per Share (par value Rs.10 each) | | | | | | |
| | Basic | 3.79 | 1.02 | 10.73 | 6.25 | 1.68 | 14.49 |
| | Diluted | 3.73 | 1.01 | 10.58 | 6.15 | 1.66 | 14.29 |

Segment wise Revenue, Results & Capital employed for the quarter ended 30th June 2006

| | | Unaudited | |
|----------|----------------------------------------------------------------------------|---------------|------------|
| | | Quarter ended | |
| | | 30.06.2006 | 30.06.2005 |
| 1 | Segment Revenue (net of inter segment Revenue) | | |
| | Application Portfolio Management (APM) | 7702 | 5879 |
| | Enterprise Application Services (EAS) | 3820 | 1791 |
| | Innovative Technology Solutions (ITS) | 897 | 1239 |
| | Business Process Outsourcing and optimization (BPO) | 564 | 137 |
| | Others | 795 | 447 |
| | Total | 13778 | 9493 |
| 2 | Segment Results Profit/(Loss) before Interest, Depreciation and Tax | | |
| | Application Portfolio Management (APM) | 1685 | 1047 |
| | Enterprise Application Services (EAS) | 701 | 47 |
| | Innovative Technology Solutions (ITS) | (465) | (13) |
| | Business Process Outsourcing and optimization (BPO) | 42 | (172) |
| | Others | 32 | 45 |
| | Total | 1995 | 954 |
| | Less: Interest and finance cost | 43 | 33 |
| | Less: Depreciation | 348 | 372 |
| | Add : Unallocable income net of unallocable expenditure | 254 | (48) |
| | Total Profit before Tax (before minority interest) | 1858 | 501 |

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 :

- 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 28th July 2006.
- 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 for the current quarter include the results of OBT.
- 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 30th June 2006.
- During the year ended 31st March 2006, the Company had undertaken a review in the last quarter, of the charges for the services provided to its overseas subsidiaries. The revision in charges with effect from 1st April 2005, had resulted in its 'Profit before tax' for the year ended 31st March 2006 being higher by Rs. 161 Lakhs of which Rs. 43 Lakhs pertain to the quarter ended 30th June 2005. However, this does not have any impact on the consolidated result.
- In accordance with the revised AS-15, the liability for leave encashment as on 31st March 2006 will be computed and adjusted against the Opening balance of General Reserve as on 1st April 2006. This will have no impact on the result for the quarter ended 30th June 2006. The liability for leave encashment for the quarter ended 30th June 2006 has been computed and accounted in accordance with the revised AS 15.
- During the quarter ended 30th June 2006, the Company issued 76581 equity shares pursuant to the exercise of stock options by certain employees under the "2002 ESOP" stock option plan.
- The number of investors complaints received and disposed of in the current quarter are 39. There were no investor complaints pending at the beginning and at the end of the quarter.
- Figures for the previous quarter and year have been regrouped wherever necessary.

For and on behalf of the Board