

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

(Rs. Lakhs)

		Consolidated									
		Unaudited				Audited	Unaudited				Audited
		Quarter ended		Half-Year ended		Year ended	Quarter ended		Half-Year ended		Year ended
		30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006	30.09.2006	30.09.2005	30.09.2006	30.09.2005	31.03.2006
1	Net Sales / Income from Operations	7045	5275	13725	10329	22909	14872	9935	28650	19428	42879
2	Other Income	76	72	156	152	368	245	93	348	205	463
3	Total Income (1+2)	7121	5347	13881	10481	23277	15117	10028	28998	19633	43342
4	Total Expenditure										
a)	Manpower Cost	4291	3491	8197	6668	13725	9905	6989	18899	13600	28992
b)	Others	1918	1135	3474	2417	5101	3113	1982	5751	4070	8476
	Total	6209	4626	11671	9085	18826	13018	8971	24650	17670	37468
5	Interest and finance cost	34	34	69	62	137	43	39	86	72	161
6	Depreciation	368	365	700	726	1494	385	376	733	748	1547
7	Profit before taxation, prior period expenses, exceptional items and minority interest (3-4-5-6)	510	322	1441	608	2820	1671	642	3529	1143	4166
8	Prior period expenses	46	52	46	52	218	46	52	46	52	218
9	Less : Provision for taxation	-	13	18	30	-	397	127	763	224	389
10	Less : Fringe Benefit Tax (FBT)	21	30	43	60	90	21	30	44	60	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)	443	227	1334	466	2512	1207	433	2676	816	3402
13	Exceptional Item (net of tax)	-	-	-	-	-	-	-	-	-	57
14	Net Profit after tax, Exceptional Item and before minority interest (12-13)	443	227	1334	466	2512	1207	433	2676	816	3345
15	Minority Interest	-	-	-	-	-	2	7	1	17	48
16	Net Profit after tax, Exceptional Item and minority interest (14+15)	443	227	1334	466	2512	1209	440	2677	833	3393
17	Paid-up Equity Share Capital (Shares of Rs. 10 each)	2364	2343	2364	2343	2344	2364	2343	2364	2343	2344
18	Reserves excluding Revaluation Reserves					11844					15777
19	Earnings per Share (par value Rs. 10 each)										
	Basic	1.88	0.97	5.67	1.99	10.73	5.13	1.88	11.38	3.56	14.49
	Diluted	1.86	0.96	5.59	1.96	10.58	5.07	1.85	11.23	3.51	14.29
20	Aggregate of Non Promoter Shareholding										
a)	Number of Shares			9814953	9595671	9606302			9814953	9595671	9606302
b)	Percentage			42%	41%	41%			42%	41%	41%

Consolidated Segment wise Revenue, Results & Capital employed for the Quarter and Half-Year ended 30th September 2006

	Unaudited			
	Quarter ended		Half-Year ended	
	30.09.2006	30.09.2005	30.09.2006	30.09.2005
1 Segment Revenue (net of inter segment Revenue)				
Application Portfolio Management (APM)	8092	6055	15794	11934
Enterprise Application Services (EAS)	4154	1869	7974	3660
Innovative Technology Solutions (ITS)	1030	1400	1927	2639
Business Process Outsourcing and optimization (BPO)	613	199	1177	336
Others	983	412	1778	859
Total	14872	9935	28650	19428
2 Segment Results Profit/(Loss) before Interest, Depreciation and Tax				
Application Portfolio Management (APM)	1913	1071	3598	2118
Enterprise Application Services (EAS)	508	80	1209	127
Innovative Technology Solutions (ITS)	(542)	(12)	(1007)	(25)
Business Process Outsourcing and optimization (BPO)	73	(142)	115	(314)
Others	53	18	85	63
Total	2005	1015	4000	1969
Less: Interest and finance cost	43	39	86	72
Less: Depreciation	385	376	733	748
Add : Unallocable income net of unallocable expenditure	94	42	348	(6)
Total Profit before Taxation, prior period expenses, exceptional items and minority interest	1671	642	3529	1143

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 16th October 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 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 and half-year ended 30th September 2006.
- Other expenses (Item 4b) for the quarter and half-year ended 30th September 2006, include an amount of Rs. 200 Lakhs and Rs. 276 Lakhs respectively, towards provision for potential loss as a consequence of mark to market valuation of Option contracts entered into by the Company in respect of currency options.
- 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. 36 Lakhs and Rs. 79 Lakhs pertain to the quarter and half-year ended 30th September 2005, respectively. 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 and half-year ended 30th September 2006. The liability for leave encashment for the quarter and half-year ended 30th September 2006 has been computed and accounted in accordance with the revised AS-15.
- During the quarter and half-year ended 30th September 2006, the Company has made an investment towards additional equity contribution of Rs. 58.65 Lakhs in its wholly owned subsidiary in Germany.
- During the quarter and half-year ended 30th September 2006, the Company issued 132070 and 208651 equity shares respectively, 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 off in the current quarter are 69. There were no investor complaints pending at the beginning and at the end of the quarter.
- Figures for the previous quarter, half-year and year have been regrouped wherever necessary.

For and on behalf of the Board

Mumbai
Date: 16th October 2006.

Ganesh Natarajan
Deputy Chairman & Managing Director