

# Zensar net profit up 11.6% in Q1; revenue marginally down

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MUMBAI: Software firm [Zensar Technologies](#) today posted 11.6 per cent jump in net profit at Rs 60.94 crore for the first quarter ended June 30, helped by good performance across verticals.

Net profit for the same quarter last year had stood at Rs 54.56 crore.

The Pune-based RPG Group company's revenue, however declined 2.4 per cent to Rs 533.54 crore during the quarter under review from Rs 546.93 crore a year ago.

"There was growth across markets. Our revenues were down as we undertook some clean up of the business. We had acquired a US-based infrastructure management company (PSI Holding in November 2010) and now we have done away with the non-profitable processes," Zensar Vice-Chairman and Chief Executive [Ganesh Natarajan](#) told PTI.

"We are in a very good shape. We have a deal pipeline of about USD 300 million, of which USD 100 is for infrastructure management while the remaining is for our traditional core offerings," he said.

Talking about geographical performance, Natarajan said the US, Europe and African regions continue to do well, but there is slowness in the Asia-Pacific market.

"We are seeing good growth in our US, Europe and African business. We expect to grow 12-13 per cent in constant currency in these markets. But there is slowness in Asia- Pacific, India has not grown and Japan was static."

On the depreciation of [rupee](#), Natarajan said the currency's movement had had a positive impact of Rs 20 crore on the company's balance sheets.

At the end of June quarter, Zensar had a headcount of over 6,500 people. "We have given wage hikes effective July 1. While the average wage increase was 7 per cent, the hikes range from 5-18 per cent," Natarajan added.

Asked about acquisitions, he said the company has appointed two bankers in the US to look for potential targets.

"We are looking at a follow on acquisition in infrastructure management and also at strengthening our product engineering business. There is nothing concrete as of now but we are on the lookout," he added.