

TERA SOFTWARE LTD.

#8-3-1113/2B, Kesavanagar, Srinagar Colony, Hyderabad-73.

UN AUDITED FINANCIAL RESULTS FOR THE 1st QUARTER ENDED
30th JUNE 2006

Rs. In Lac

Sl. No.	PARTICULARS	3 Months Ended		Year Ended	
		30.06.2006	30.06.2005	31.03.2006	31.03.2005
		Un audited	Un audited	Un audited	Audited
1	Net Income from Sales & Services	1012.10	489.24	3519.92	1743.31
	Other Income	2.67	2.59	20.44	15.34
	Total income	1014.77	491.83	3540.36	1758.65
2	Total Expenditure:				
a.	(Increase)/decrease in Stock in trade	0.00	(33.43)	1.55	(0.99)
b.	Consumption of Raw Materials	52.79	91.46	641.18	160.38
c.	Staff Cost	43.79	49.24	191.63	131.97
d.	Consultancy, Professional & Other Charges	352.16	92.84	990.33	404.86
e.	General Administrative & Other Expenses	137.63	53.03	298.91	192.26
	Total Expenditure	586.37	253.14	2123.60	888.48
3	Operating profit before interest and Depreciation	428.40	238.69	1416.76	870.17
4	Interest	28.87	22.01	101.18	95.27
5	Depreciation & Amortisation	106.14	78.15	373.17	310.25
6	Profit/(Loss) before tax	293.39	138.53	942.41	464.65
7	Provision For Taxation:				
	Current Period	108.93	56.89	218.20	123.79
	Fringe Benefit Tax	0.56	0.00	4.60	0.00
	Deferred	-9.56	(10.04)	100.77	39.68
8	Net Profit/(Loss)	193.46	91.68	618.84	301.18
9	Paid up equity share capital	920.55	770.22	920.95	770.14
10	Reserves excluding Revaluation reserve	0.00	-	1306.21	370.98
11	Basic/Diluted EPS	2.10	1.19	6.72	3.91
12	Aggregate of non-promoter Shareholding:				
a.	Number of shares	5780587	4724798	5780587	4682222
b.	Percentage of shareholding	62.77	61.29	62.77	60.73

**QUARTERLY REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL
EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT**

Sl. No.	PARTICULARS	3 Months Ended		Year Ended	
		30.06.2006	30.06.2005	31.03.2006	31.03.2005
		Un audited	Unaudited	Un audited	Audited
1	Segment Revenue				
a.	Integrated Solutions Division	53.82	69.78	679.07	168.43
b.	Technical Division	470.72	100.67	1102.33	321.30
c.	Projects Division	484.56	317.78	1601.82	1223.70
d.	Others	3.00	1.02	136.70	29.88
e.	Other Income	2.67	2.58	20.44	15.34
	Net sales/Income from operations	1014.77	491.83	3540.36	1758.65
2	Segment Profit/(Loss) before interest and tax				
a.	Integrated Solutions Division	0.12	10.27	34.22	9.25
b.	Technical Division	99.94	35.52	406.32	107.58
c.	Projects Division	250.16	143.37	684.41	559.76
d.	Others	0.62	(1.35)	56.41	9.47
	Total	350.84	187.81	1181.36	686.06
	Less: Interest	28.87	22.01	101.18	95.27
	Un-allocable expenditure net off un-allocable income	28.58	27.27	137.77	126.14
	Total Profit/(Loss) Before Tax	293.39	138.53	942.41	464.65
3	Capital employed				
a.	Integrated Solutions Division	69.58	41.77	541.64	35.02
b.	Technical Division	868.44	259.88	532.66	207.92
c.	Projects Division	2542.87	1356.27	2271.70	1222.01
d.	Others	132.76	2.19	130.31	4.81
e.	Others (Unallocable Assets-Liabilities)	576.44	532.28	556.57	475.78
	Total	4190.09	2192.39	4032.88	1945.54

Notes 1 Previous quarter/year figures were regrouped/reclassified wherever necessary.

2 The Company received 34 requests during the quarter ended 30th Jun 2006 from shareholders, all the requests have been resolved. 3 complaints were pending at the beginning and end of the quarter.

3 The above results have been, reviewed by the audit committee and taken on record by the Board at its meeting held on 28th July 2006 and subject to limited audit review.

4 During the quarter, the company had issued 8,00,000 warrants of Rs.77/ each, on preferential basis, convertible into 8,00,000 Equity shares of the nominal value of Rs.10/- each, at a premium of Rs.67/- within ten months from the date of allotment of these warrants.