



**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2006**

| Year ended                   | Quarter ended 30th September |                     | Half year ended 30th September |                     | FINANCIAL RESULTS  | Consolidated Results         |                     |                                |                     |
|------------------------------|------------------------------|---------------------|--------------------------------|---------------------|--|------------------------------|---------------------|--------------------------------|---------------------|
|                              |                              |                     |                                |                     |  | Quarter ended 30th September |                     | Half year ended 30th September |                     |
|                              |                              |                     |                                |                     |  | 2006<br>(Audited)            | 2005<br>(Unaudited) | 2006<br>(Audited)              | 2005<br>(Unaudited) |
| 31st March 2006<br>(Audited) | 2006<br>(Audited)            | 2005<br>(Unaudited) | 2006<br>(Audited)              | 2005<br>(Unaudited) |  | 2006<br>(Audited)            | 2005<br>(Unaudited) | 2006<br>(Audited)              | 2005<br>(Unaudited) |
| 5,354.14                     | 2,096.94                     | 1,239.18            | 4,067.50                       | 2,316.79            | Software Revenue   | 2,341.88                     | 1,940.82            | 4,649.84                       | 3,658.07            |
| 626.03                       | 31.81                        | 243.27              | 39.31                          | 258.17              | Hardware Revenue   | 31.81                        | 243.27              | 39.31                          | 258.17              |
| <b>5,980.17</b>              | <b>2,128.75</b>              | <b>1,482.45</b>     | <b>4,106.81</b>                | <b>2,574.96</b>     | <b>Income from Operations</b>  | <b>2,373.69</b>              | <b>2,184.09</b>     | <b>4,689.15</b>                | <b>3,916.24</b>     |
| 61.40                        | 8.72                         | 30.87               | 27.70                          | 45.55               | Other Income   | 11.36                        | 22.92               | 27.85                          | 38.14               |
| <b>6,041.57</b>              | <b>2,137.47</b>              | <b>1,513.32</b>     | <b>4,134.51</b>                | <b>2,620.51</b>     | <b>Total Income</b>  | <b>2,385.05</b>              | <b>2,207.01</b>     | <b>4,717.00</b>                | <b>3,954.38</b>     |
| <b>5,919.85</b>              | <b>2,002.73</b>              | <b>1,470.86</b>     | <b>3,839.30</b>                | <b>2,642.87</b>     | <b>Total Expenditure:</b>  | <b>2,238.53</b>              | <b>2,091.33</b>     | <b>4,362.60</b>                | <b>3,814.16</b>     |
| 494.79                       | 22.93                        | 190.71              | 22.93                          | 195.80              | a. Cost of Finished Goods & Spares consumed  | 22.93                        | 190.71              | 22.93                          | 195.80              |
| 3,312.48                     | 1,408.42                     | 769.15              | 2,604.95                       | 1,394.27            | b. Staff Cost  | 1,567.23                     | 1,276.74            | 2,913.26                       | 2,303.42            |
| 697.94                       | 203.41                       | 227.70              | 378.13                         | 430.59              | c. Sub Contracting Charges   | 217.40                       | 253.93              | 511.26                         | 522.77              |
| 1,414.64                     | 367.97                       | 283.30              | 833.29                         | 622.21              | d. Other Expenditure   | 430.97                       | 369.95              | 915.15                         | 792.17              |
| <b>121.72</b>                | <b>134.74</b>                | <b>42.46</b>        | <b>295.21</b>                  | <b>(22.36)</b>      | <b>Profit/(Loss) Before Interest, Depreciation &amp; Tax</b>                           | <b>146.52</b>                | <b>115.68</b>       | <b>354.40</b>                  | <b>140.22</b>       |
| 159.60                       | 53.93                        | 36.85               | 102.41                         | 72.91               | Interest   | 71.77                        | 50.92               | 140.15                         | 100.31              |
| 85.48                        | 35.07                        | 26.46               | 66.09                          | 38.39               | Depreciation   | 36.50                        | 57.08               | 69.02                          | 98.81               |
| <b>(123.36)</b>              | <b>45.74</b>                 | <b>(20.85)</b>      | <b>126.71</b>                  | <b>(133.66)</b>     | <b>Net Profit/(Loss) Before Tax</b>  | <b>38.25</b>                 | <b>7.68</b>         | <b>145.23</b>                  | <b>(58.90)</b>      |
| 3.00                         | 3.00                         | 2.00                | 6.00                           | 2.00                | Provision for Current Tax  | 6.00                         | 7.00                | 15.00                          | 9.00                |
| 18.19                        | 5.25                         | 3.40                | 10.50                          | 9.34                | Provision for Fringe Benefit Tax   | 6.00                         | 3.60                | 12.00                          | 10.11               |
| <b>(144.55)</b>              | <b>37.49</b>                 | <b>(26.25)</b>      | <b>110.21</b>                  | <b>(145.00)</b>     | <b>Net Profit/(Loss)</b>   | <b>26.25</b>                 | <b>(2.92)</b>       | <b>118.23</b>                  | <b>(78.01)</b>      |
| -                            | -                            | -                   | -                              | -                   | Exceptional items  | 1.16                         | -                   | 1.16                           | -                   |
| <b>(144.55)</b>              | <b>37.49</b>                 | <b>(26.25)</b>      | <b>110.21</b>                  | <b>(145.00)</b>     | <b>Net Profit/(Loss) after Exceptional items</b>                                       | <b>25.09</b>                 | <b>(2.92)</b>       | <b>117.07</b>                  | <b>(78.01)</b>      |
| 755.03                       | 755.03                       | 755.03              | 755.03                         | 755.03              | Paid up Equity Share Capital (Face Value of Rs.10 each)                                | 755.03                       | 755.03              | 755.03                         | 755.03              |
| 143.29                       |                              |                     |                                |                     | Reserves excluding revaluation reserves (as per Balance Sheet)                         |                              |                     |                                |                     |
| 2,010.73                     |                              |                     |                                |                     | Debit balance in Profit & Loss Account   |                              |                     |                                |                     |
| (1.91)                       | 0.50                         | (0.35)              | 1.46                           | (1.92)              | Basic and Diluted EPS (In Rs.) for the year and for the previous year (not annualised) | 0.35                         | (0.04)              | 1.57                           | (1.03)              |
|                              |                              |                     |                                |                     | Aggregate of Non-Promoters' Shareholding :   |                              |                     |                                |                     |
| 2,235,225                    | 2,235,225                    | 2,235,225           | 2,235,225                      | 2,235,225           | Number of Equity Shares  | 2,235,225                    | 2,235,225           | 2,235,225                      | 2,235,225           |
| 29.60                        | 29.60                        | 29.60               | 29.60                          | 29.60               | Percentage of Holding  | 29.60                        | 29.60               | 29.60                          | 29.60               |

| Year ended      | Quarter ended 30th September |                   | Half year ended 30th September |                   | SEGMENT REPORTING   | Consolidated Results         |                   |                                |                   |
|-----------------|------------------------------|-------------------|--------------------------------|-------------------|---|------------------------------|-------------------|--------------------------------|-------------------|
|                 |                              |                   |                                |                   |   | Quarter ended 30th September |                   | Half year ended 30th September |                   |
|                 | 31st March 2006<br>(Audited) | 2006<br>(Audited) | 2005<br>(Unaudited)            | 2006<br>(Audited) |   | 2005<br>(Unaudited)          | 2006<br>(Audited) | 2005<br>(Unaudited)            | 2006<br>(Audited) |
|                 |                              |                   |                                |                   | Segment Revenue   |                              |                   |                                |                   |
| 5,354.14        | 2,096.94                     | 1,239.18          | 4,067.50                       | 2,316.79          | Software  | 2,341.88                     | 1,940.82          | 4,649.84                       | 3,658.07          |
| 626.03          | 31.81                        | 243.27            | 39.31                          | 258.17            | Hardware  | 31.81                        | 243.27            | 39.31                          | 258.17            |
| 5,980.17        | 2,128.75                     | 1,482.45          | 4,106.81                       | 2,574.96          | Total Segment Revenue                                     | 2,373.69                     | 2,184.09          | 4,689.15                       | 3,916.24          |
|                 |                              |                   |                                |                   | Segment Results ( Profit Before Interest and Tax - PBIT ) |                              |                   |                                |                   |
| 781.75          | 88.45                        | 149.60            | 197.79                         | 247.75            | Software  | 96.16                        | 292.09            | 253.90                         | 539.72            |
| 94.12           | 2.50                         | 42.95             | 3.63                           | 45.07             | Hardware  | 2.50                         | 42.95             | 3.63                           | 45.07             |
| 875.87          | 90.95                        | 192.55            | 201.42                         | 292.82            | Total Segment Result                                      | 98.66                        | 335.04            | 257.53                         | 584.79            |
| 839.63          | (8.72)                       | 176.56            | (27.70)                        | 353.57            | Less other un-allocable Common Expenses (Net)             | (11.36)                      | 276.44            | (27.85)                        | 543.38            |
| 159.60          | 53.93                        | 36.85             | 102.41                         | 72.91             | Less : Interest   | 71.77                        | 50.92             | 140.15                         | 100.31            |
| <b>(123.36)</b> | <b>45.74</b>                 | <b>(20.86)</b>    | <b>126.71</b>                  | <b>(133.66)</b>   | <b>Profit/(Loss) Before Tax</b>                           | <b>38.25</b>                 | <b>7.68</b>       | <b>145.23</b>                  | <b>(58.90)</b>    |

- The above results were taken on record by the Board of Directors of the Company at its meeting held on 17th October 2006 and the Company's results have been Audited by the Statutory Auditors.
  - Birla Technologies Limited (BTL) is a wholly owned subsidiary and audited results are accordingly included in the above consolidated results.
  - Though the net worth of BTL is negative the management of the Company is of the opinion that having regard to the strategic and long term nature of the investment, the investment has been carried at cost.

During the half year ended 30th September 2006, there has been overall improvement in the operating results of BTL, resulting in Profit after Tax of Rs. 6.87 Lacs
- Segment Assets, Segment Liabilities and Fixed Assets used in the Company's business have not been identified and disclosed to any reportable segment, due to their use interchangeably between segments.
- Effective April 1, 2006 the Company adopted the revised Accounting Standard on employee benefits. Pursuant to the adoption, the additional obligations of the Company amounted to Rs. 20 lakhs. As required by the standard, the obligation has been recorded with the transfer of Rs. 20 lakhs to general reserves.
- Previous year/quarter figures are regrouped/reclassified as applicable.
- The Company has received 5 investor grievances during the quarter. All the complaints have been resolved. There were no investor complaints pending from the shareholders at the beginning or at the end of the quarter.

Place : Mumbai

Date: October 17, 2006

**Sanjeev Aga**

**Director**

**PSI DATA SYSTEMS LIMITED**

( A Subsidiary of Aditya Birla Nuvo Limited)

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An Aditya Birla Group Company