

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH
SEPTEMBER 2006**

S. No.	Particulars	(Rupees in lacs)		
		Quarter ended 30.09.2006	Half - Year Ended 30.09.2006	Year ended 31.03.2006
		Un-audited	Un-audited	Audited
1	Net Sales/Income from operations	1971.28	2908.01	5230.45
2	Other Income	38.20	126.12	146.81
	Total Revenue	2009.48	3034.13	5377.26
3	Total Expenditure:			
	(Increase)/ Decrease in stock	(8.11)	(17.37)	(73.28)
	Purchases	232.29	391.34	1027.56
	Personnel expenses	341.64	555.68	750.29
	Administration & Other expenses	478.93	701.76	944.42
	Total Expenditure	1044.75	1631.41	2648.99
4	Interest	10.70	17.95	50.35
5	Depreciation	186.60	324.07	530.52
6	Profit Before Tax (1+2-3-4-5)	767.43	1060.70	2147.40
7	Provision for taxation:			
	. - Current tax	29.27	147.60	759.70
	. - Deferred tax	224.55	205.07	(34.62)
	. - Fringe benefit tax	7.29	14.06	32.02
8	Net Profit (6-7)	506.32	693.97	1390.30
9	Paid up Equity share capital (Face Value Rs.10/- each)	1595.98	1595.98	1595.98
10	Reserve excluding revaluation reserves (As per Balance Sheet) of previous financial year	-	-	7434.98
11	Basic and Diluted Earning per share (not to be annualized) in Rupees	3.17	4.35	11.15
12	Aggregate of non-Promoters Share Holding:			
	. - Numbers of Shares (Nos.)	5,602,411	5,602,411	5,602,411
	. - Percentage of shareholding	35.10%	35.10%	35.10%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

S. No.	Particulars	(Rupees in lacs)		
		Quarter ended	Half - Year Ended	Year ended
		30.09.2006	30.09.2006	31.03.2006
		Un-audited	Un-audited	Audited
1	Segment Revenue			
	Professional Development	673.00	1026.80	1,229.53
	Smart Class	477.00	714.94	2,007.92
	Instructional & Computing Technology (ICT)	709.00	971.90	1,586.16
	Retail Initiative	112.28	194.37	406.84
	Total Net Sales/ Income from Operations	1971.28	2908.01	5230.45
2	Segment Results (Profit before Interest & tax from each segments)			
	Professional Development	425.97	603.01	746.18
	Smart Class	261.69	364.15	1200.31
	Instructional & Computing Technology (ICT)	203.07	294.60	601.73
	Retail Initiative	43.97	62.22	114.94
		934.70	1323.98	2663.16
	Less: Interest (Net)	10.70	17.95	50.35
	:Other un-allocable expenses (net of un - allocable income)	156.57	245.33	465.41
	Total Profit before Tax	767.43	1060.70	2147.40
3	Capital Employed (Segment Assets- Segment Liabilities)			
	Professional Development	836.68	836.68	288.91
	Smart Class	2521.49	2521.49	1001.42
	Instructional & Computing Technology (ICT)	3046.09	3046.09	1354.68
	Retail Initiative	216.77	216.77	222.53
	Total	6621.03	6621.03	2867.54

Notes:

1. The Un audited Financial Results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 31st October 2006
2. **Utilization of IPO Proceeds:**

Rs. in lacs		
Particulars	Projected Utilization as per the Prospectus dated 29.12.2005	Actual as on 30.09.2006
Capital Expenditure	5940.10	3762.22
Investment in U.S Subsidiary	805.14	0.00
M & A Activity	1000.00	0.00
Public Issue Expenses	380.46	525.91
Total	8125.70	4288.13

Pending utilization as at 30th September 2006 balance funds have been either invested in liquid mutual funds /fixed deposits with Banks or lying with Cash credit/ Current account of the company.

Note : The figure of R s 8125.70 lacs includes the forthcoming two years internal accruals of the company & R s 50 Crores raised through Initial Public offering on 13th January, 2006 .

3. Status of Investor complaints received by the Company is as follows:

Particulars	Pending as on July 1, 2006	Received during the Quarter	Disposed during the Quarter	Pending as on September 30,2006
No of Complaints	0	8	8	0

4. Given the seasonal nature the industry, the results of any quarter may not be a true indicative of annual performance. Quarter I amounts to approximate 10 to 12% of the total revenue , Quarter II amounts to approximate 18 to 20% of the total revenue , Quarter III amounts to approximate 25 to 30% of the total revenue , Quarter IV amounts to approximate 38 to 47% of the total revenue .
5. The segment report is prepared in accordance with the Accounting Standard-17"segment reporting" Issued by the Institute of Chartered Accountants of India.
6. Previous year/period figures are not considered as the Company got listed on 13th January 2006
7. During the Financial Year 2005-06, Company has paid final dividend of 15 % on its fully paid Equity share Capital amounting to Rs. 2,39,39,675/- only for the financial year ended 31st March 2006, i.e., at the rate of Rs. 1.50 per share

8. During the quarter under review, Company has issued 1% Foreign Currency Convertible bonds for an amount aggregating to USD 25 million. Issue was closed on 13th October 2006. FCCBs have a Maturity period of 5 years and 1 day and will mature on October 14th, 2011.

By order of the Board of Directors

For Educomp Solutions Ltd

Sd/-

Place: Delhi

Date: October 31, 2006

Shantanu Prakash

Managing Director