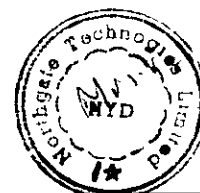


FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2010

A. CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2010

Amount Rs. in Lakhs except EPS and Shareholding

Sl.No.	Particulars	Consolidated			
		Quarter ended		Year ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
		(Unaudited)		(Audited)	
		(1)	(2)	(3)	(4)
1	Revenues	2,824.63	4,906.72	7,446.34	56,034.27
2	Cost of Revenues	3,096.14	4,253.96	8,410.86	35,628.20
3	Gross Profit	(271.51)	652.76	(964.52)	20,406.07
4	Selling and Marketing Expenses	247.09	2,603.97	2,205.49	9,184.16
5	General and Administrative Expenses	450.45	60.73	1,090.81	1,216.80
6	Bad and Doubtful debts written off / provided for	(17.72)	17,790.09	2,025.26	17,790.09
7	Advances written off	38.71	422.80	75.44	629.94
8	Fixed assets written off	-	16,142.11	6,218.92	16,457.87
9	Operating Profit/(Loss) before Interest, Depreciation and Amortization	(990.04)	(36,366.94)	(12,580.44)	(24,872.79)
10	Depreciation and Amortization	123.08	1,942.82	2,940.83	7,157.57
11	Operating Profit/(Loss) before Interest	(1,113.13)	(38,309.76)	(15,521.27)	(32,030.36)
12	Interest	4.65	11.28	24.38	99.41
13	Operating Profit/(Loss) after Interest	(1,117.77)	(38,321.04)	(15,545.65)	(32,129.77)
14	Other Income	791.04	341.38	1,192.18	1,809.67
15	Profit/(Loss) from ordinary activities before Tax	(326.74)	(37,979.66)	(14,353.47)	(30,320.10)
16	Provision for Taxation				
	- Current	94.72	(1,742.67)	278.56	22.45
	- Fringe benefit	-	(0.48)	-	12.75
	- Deferred	-	(965.41)	-	(807.40)
17	Net Profit / (Loss) from ordinary activities after tax and before Prior period expenses and Minority Interest	(421.46)	(35,271.10)	(14,632.03)	(29,547.90)
18	Prior Period expenses	66.41	-	66.41	-
19	Net Profit / (Loss) from ordinary activities after tax and Prior period expenses and before Minority Interest	(487.87)	(35,271.10)	(14,698.44)	(29,547.90)
20	Minority Interest	-	-	-	(3.87)
21	Net Profit / (Loss) for the period	(487.87)	(35,271.10)	(14,698.44)	(29,544.03)
22	Paid-up Equity Share Capital (Face value of Rs.10 each)	3,514.71	3,514.71	3,514.71	3,514.71
23	Reserves excluding Revaluation Reserve			28,338.02	28,402.23
24	Debit balance in profit and loss account			(30,103.88)	(15,405.44)
25	Earnings Per Share (EPS) (Equity shares of face value of Rs.10 each)				
	- Basic	(1.39)	(100.93)	(41.71)	(84.54)
	- Diluted	(1.39)	(100.93)	(41.71)	(84.54)
26	Public Shareholding				
	- Number of Shares	24,069,808	23,547,989	24,069,808	23,547,989
	- Percentage of Shareholding	68.73	67.24	68.73	67.24
27	Promoters and promoter group Shareholding **				
a)	Pledged/Encumbered	-	-	-	-
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b)	Non-encumbered				
	- Number of shares	10,948,782	11,470,601	10,948,782	11,470,601
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	31.27	32.76	31.27	32.76



Notes to the consolidated financial results:

1. The above consolidated financial results has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on May 26, 2010.
2. As part of its ongoing restructuring exercise which commenced during the previous financial year, the Group has scaled down its internet related business considerably. In March 2010, the Group decided to liquidate its UK subsidiary, Axill Europe Limited (AEL) the process for which is currently being implemented. Consequently, the Group recorded an impairment charge of Rs 6,420.75 lakhs, relating to the write down of the carrying values of fixed assets held by AEL to its estimated recoverable values. The Group has estimated the recoverable values of the fixed assets based on initial discussions with potential buyers.
3. The revenues of the Group derived from its Online Advertising segment has declined to Rs 3,305.94 lakhs during the year, as compared to Rs 56,034.27 lakhs in the previous year. Further, the Group has incurred losses of Rs 14,673.92 lakhs during the year and its net-worth as at 31 March 2010 has reduced to Rs 1,748.85 lakhs as compared to Rs 16,511.49 lakhs as at 31 March 2009. During the year, the Group had initiated the sale of certain internet-based intellectual properties. There has been no closure of the transaction so far.
4. Notwithstanding the significant decline in net-worth which is on account of operating losses, write-down in fixed assets in Axill Europe Limited (as explained in Note 2 above) as well as provision/ write-off of bad and doubtful debtors, the Group believes that with the considerable scaling of its internet-related business, it has attained a sustainable scale of operations which will generate operating cash flows sufficient to meet its ongoing expenses. No further write-down of fixed assets is expected and current assets and liabilities are expected to be realized and settled in the normal course. Further, the Group also believes that the scaled down operations are capable of sustaining in the foreseeable future. On the basis of the above, the Group believes that the going concern assumption is valid and the online advertising segment is a continuing business segment. These financial statements have therefore been prepared on a going concern basis.
5. The Group commenced Securities Trading on 10 December 2009 through its subsidiary VAR Quant Tech Securities Private Limited (Var Quant). The main object of VAR Quant is to engage in the trading of securities, which qualifies it to be an Non-Banking Financial Company (NBFC). Under Section 45(IA) of the Reserve Bank of India (RBI) Act, a NBFC requires compulsory registration with the RBI and it is not allowed to commence financial activities without obtaining a certificate from RBI. VAR Quant has not obtained such prior registration and is therefore in contravention of the RBI guidelines. On realizing the default, VAR Quant has discontinued such trading activities and is in the process of seeking the required regulatory approvals.
6. In case of the Securities trading business carried out through VAR Quant, the Group records the purchase and sale transactions (Rs 4,142.99 lakhs and Rs 4,140.40 lakhs respectively) of securities on a gross basis under "Cost of Revenues" and "Revenues" respectively. In the absence of a prescribed mandatory definite accounting treatment under Indian GAAP, the Company believes that a gross presentation fairly represents the underlying nature and substance of the intra-day securities trading activities undertaken during the year.

7. Details of expenditure incurred on staff cost and other expenditures exceeding 10% of the total expenditures are as follows:

Sl.No.	Particulars	Consolidated		
		Quarter ended		Year ended
		31.03.2010	31.03.2009	31.03.2010
		(Unaudited)		(Audited)
		(1)	(2)	(3)
i.	Staff Cost (included under various heads)	266.01	390.44	1,051.83
ii.	Traffic Acquisition cost (included under Cost of Revenues)	983.96	2,820.18	2,682.96
iii.	Cost of Securities (included under Cost of Revenues)	2,332.31	-	4,142.99
				2,500.38
				30,182.83
				-

