

**Un-Audited Financial Results ( Revised ) for the quarter ended June 30, 2006**

*Amount/Rs. in Lakhs except per share data*

Sl.No.	Particulars	3 months ended 30.06.2006	Corresponding 3 months in the previous Year 30.06.2005	Previous Accounting Year ended 31.03.2006 (Audited)
1	Revenues	1,799.35	2,182.44	8,191.81
2	Cost of Revenues	597.40	1,657.49	4,844.44
3	Gross Profit (1-2)	1,201.95	524.95	3,347.37
4	Selling and Marketing expenses	17.84	2.67	33.73
5	General and Administrative expenses	40.33	14.97	284.54
6	Miscellaneous Expenditure Written off	2.91	2.91	11.66
7	Operating Profit before Interest and Bank Charges			
	Depreciation and Amortization (3-4-5-6)	1,140.87	504.40	3,017.44
8	Interest and Bank Charges	0.37	5.03	13.60
9	Depreciation and Amortization	46.69	54.53	283.83
10	Operating Profit after Interest and Bank charges, Depreciation and Amortization (7-8-9)	1,093.81	444.84	2,720.01
11	Other Income	108.18	-	68.45
12	Net Profit before Tax and Prior period expenses(10+11)	1,201.99	444.84	2,788.46
13	Provision for Taxation	19.56	37.90	247.59
14	Net Profit After Tax (12-13)	1,182.43	406.94	2,540.87
15	Prior period expenses	-	-	126.69
16	Net Profit (14-15)	1,182.43	406.94	2,414.18
17	Paid up Equity Share Capital (face value of Rs.10/- each)	1,396.76	1,215.13	1,396.76
18	Reserves excluding revaluation reserves			7,293.92
19	Earnings Per Share			
	-Basic	8.54	3.35	18.61
	-Diluted	8.33	3.35	18.21
20	Aggregate of Public Shareholding			
	-Number of Shares	7,875,918	5,849,897	7,875,918
	-Percentage of Shareholding	56.91	48.15	56.91

**Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement**

Sl.No.	Particulars	3 months ended 30.06.2006	Corresponding 3 months in the previous Year 30.06.2005	Previous Accounting Year ended 31.03.2006 (Audited)
1	<b>Segment Revenues</b>			
	Information Technology Services	1,242.88	932.57	2,892.33
	Telecommunication	556.47	1,249.88	5,299.48
	Sub-Total	1,799.35	2,182.45	8,191.81
	Less: Inter-segment Revenue	-	-	-
	Net Sales / Income from Operations	1,799.35	2,182.45	8,191.81
2	<b>Segment Results</b>			
	Information Technology Services	1,097.11	391.21	2,383.67
	Telecommunication	42.48	218.61	570.31
	Total	1,139.59	609.82	2,953.98
	Interest	(0.02)	(4.68)	(11.78)
	(Other un-allocable expenditure net off un-allocable income) / Un-allocable income net off un-allocable expenditure	62.42	(160.30)	(215.93)
	Operating Profit before Tax	1,201.99	444.84	2,726.27
3	<b>Segment Capital Employed</b>			
	Information Technology Services	2,848.28	2,240.18	1,592.11
	Telecommunication	1,187.29	67.64	576.05
	Un-allocable Capital Employed	5,842.45	391.95	6,522.52
	Inter-segment Eliminations	-	-	-
	Total Capital Employed	9,878.02	2,699.77	8690.68

Notes:

- The above mentioned revised financial results were approved and taken on record by the Board of Directors at their meeting held on August 29, 2006.
- The above mentioned revised financial results have been subjected to Limited Review by the Statutory Auditors of the Company in terms of Clause 41 of the Listing Agreement.
- Pursuant to the adoption of AS - 15 (revised 2005), "Employee Benefits" issued by Institute of Chartered Accountants of India, the valuation of obligations and plan assets in respect of long term employee benefits is being carried out by the Company. Adjustments, if any, in respect of such benefits upto March 31, 2006 shall be made out of opening revenue reserve. The provision for the quarter ended June 30, 2006 on such employee benefits has been made on an estimated basis.
- There were no investor complaints pending at the beginning of the quarter or at the quarter ended on June 30, 2006. There were no investor complaints received during the quarter.
- During the quarter the company has invested Rs.891.52 Lacs in Axill Europe Ltd., a wholly owned subsidiary.
- Details of expenditure incurred on staff cost and other cost exceeding 10% of the total expenditure are as follows:

Particulars	Rs. in Lakhs		
	3 months ended 30.06.2006	Corresponding 3 months ended in the previous Year 30.06.2005	Previous Accounting Year ended 31.03.2006 (Audited)
Staff Cost	92.52	46.59	176.23
Cost of Telecommunication Minutes	501.11	1,043.87	4,211.28

- Utilization of funds received from preferential issue of shares during the quarter as per Clause 43 of the Listing Agreement are as follows:

Particulars	Rs. in Lakhs
Fund Raised (September 2005)	4,355.97
Utilized upto March 31, 2006	3,346.24
Un-utilized as on April 1, 2006	1,009.73
Utilization of funds during the quarter ended June 30, 2006	
i. Equity investment in wholly owned subsidiaries	466.33
ii. Capital expenditure	98.43
iii. Working Capital expenses	44.40
Total	609.16
Un-utilized as on June 30, 2006	400.57

- Figures for the previous periods have been re-arranged and re-grouped wherever necessary.

**Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement**

Amount Rs. in Lakhs

Sl.No.	Particulars	Standalone			Consolidated	
		3 months ended 30.06.2006	Corresponding 3 months in the previous Year ended 30.06.2005	Previous Accounting Year ended 31.03.2006 (Audited)	3 months ended 30.06.2006	Previous Accounting Year ended 31.03.2006 (Audited)
<b>1</b>	<b>Segment Revenues</b>					
	Information Technology Services	1,242.88	440.85	2,892.33	1,267.68	3,234.73
	Telecommunication	556.47	1,741.59	5,299.48	1,049.48	6,820.52
	Online Advertising	-	-	-	4,224.25	4,934.17
	Sub-Total	1,799.35	2,182.44	8,191.81	6,541.41	14,989.42
	Less: Inter-segmental Revenue	-	-	-	(1,849.53)	(4,395.31)
	Net Sales / Income from Operations	1,799.35	2,182.44	8,191.81	4,691.88	10,594.11
<b>2</b>	<b>Segment Results</b>					
	Information Technology Services	1,126.35	376.25	2,383.67	-	(666.64)
	Telecommunication	13.24	109.93	570.31	(63.60)	866.17
	Online Advertising	-	-	-	1,291.60	2,705.77
	Total	1,139.59	486.18	2,953.98	1,228.00	2,905.30
	Interest	(0.02)	(4.68)	(11.78)	(0.02)	(13.65)
	(Other un-allocable expenditure net off un-allocable income) / Un-allocable income net off un-allocable expenditure	62.42	(36.66)	(215.93)	(79.34)	(283.36)
	Operating Profit before Tax	1,201.99	444.84	2,726.27	1,148.64	2,608.29
<b>3</b>	<b>Segment Capital Employed</b>					
	Information Technology Services	2,848.28	2,202.96	1,592.11	2,848.28	2,751.78
	Telecommunication	1,187.29	104.86	576.05	1,817.51	2,393.50
	Online Advertising	-	-	-	3,650.01	15.13
	Un-allocable Capital Employed	5,842.45	391.95	6,522.52	1,350.30	2,561.70
	Inter-segment Eliminations	-	-	-	-	896.06
	Total Capital Employed	9,878.02	2,699.77	8690.68	9,666.10	8,618.17

for and on behalf of the Board

**Highlights of the quarter**

Axill.com owned by Axill Inc., has achieved the Platinum Sales Partnership of Walmart.com. Axill Inc., is a USA based Wholly Owned subsidiary of the Company.

Axill.com has become top 50 online sales aggregator for Sony BmG.

Axill Europe Limited, a UK based wholly owned subsidiary of the Company has launched patent pending advanced version of Globe7.

Globe7 has crossed 17 Million downloads across the Globe.

myvoipprovider.com has rated 'Globe7' as world's # 1 VoIP provider.