

Unaudited Financial Results for the quarter ended June 30, 2007

Amount/Rs. in Lakhs except per share data

Sl. No.	Particulars	Consolidated			Standalone		
		3 Months ended 30.06.2007 (Unaudited)	3 Months ended 30.06.2006 (Unaudited)	Year ended 31.03.2007 (Audited)	3 Months ended 30.06.2007 (Unaudited)	3 Months ended 30.06.2006 (Unaudited)	Year ended 31.03.2007 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)
1	Revenues	11,757.60	4,691.88	29,457.87	2,526.86	1,799.35	8,057.22
2	Cost of Revenues	8,367.13	2,996.62	21,047.86	202.10	597.40	2,286.03
3	Gross Profit	3,390.47	1,695.26	8,410.01	2,324.76	1,201.95	5,771.19
4	Selling and Marketing Expenses	733.58	308.79	792.23	4.01	17.84	48.56
5	General and Administrative Expenses	535.87	174.16	1,633.84	310.12	40.33	430.55
6	Miscellaneous Expenditure Written off	-	2.91	11.66	-	2.91	11.66
7	Operating Profit before Interest, Depreciation and Amortization	2,121.02	1,209.40	5,972.28	2,010.63	1,140.87	5,280.42
8	Interest	-	2.04	16.75	-	0.37	1.67
9	Depreciation and Amortization	179.91	163.29	683.90	54.50	46.69	195.77
10	Operating Profit	1,941.11	1,044.07	5,271.63	1,956.13	1,093.81	5,082.98
11	Other Income	(63.49)	104.57	650.62	95.04	108.18	108.17
12	Net Profit before Tax	1,877.62	1,148.64	5,922.25	2,051.17	1,201.99	5,191.15
13	Provision for Taxation	-	-	-	-	-	-
	- Current (Refer note 4)	33.66	15.67	115.21	26.00	15.67	47.48
	- Fringe benefit	0.66	0.49	2.56	0.66	0.49	2.56
	- Deferred	5.46	3.40	101.28	5.46	3.40	53.50
14	Net Profit before Minority Interest	1,837.84	1,129.08	5,703.20	2,019.05	1,182.43	5,087.61
15	Minority Interest	-	(8.83)	(38.28)	-	-	-
16	Net Profit	1,837.84	1,137.91	5,741.48	2,019.05	1,182.43	5,087.61
17	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,664.28	1,396.76	1,663.89	1,664.28	1,396.76	1,663.89
18	Reserves excluding revaluation reserves	-	-	23,921.39	-	-	23,438.01
19	Earnings per share (Equity shares of face value of Rs.10 each)	-	-	-	-	-	-
	- Basic	11.13	8.22	38.54	12.23	8.54	34.15
	- Diluted	10.80	8.02	37.40	11.87	8.33	33.14
20	Aggregate of Public Shareholding	-	-	-	-	-	-
	- Number of Shares	10,551,130	7,875,918	10,547,230	10,551,130	7,875,918	10,547,230
	- Percentage of Shareholding	63.89	56.91	63.88	63.89	56.91	63.88

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

Amount Rs. in Lakhs

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		3 Months ended 30.06.2007 (Unaudited)	3 Months ended 30.06.2006 (Unaudited)	Year ended 31.03.2007 (Audited)	3 Months ended 30.06.2007 (Unaudited)	3 Months ended 30.06.2006 (Unaudited)	Year ended 31.03.2007 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)
1	Segment Revenue						
	a. Online Advertising	11,686.12	4,224.25	28,301.81	-	-	-
	b. Telecommunication	71.48	1,049.48	2,361.00	-	556.47	1,688.58
	c. Information Technology Services	-	1,267.68	6,394.22	2,526.86	1,242.88	6,368.64
	Total	11,757.60	6,541.41	37,057.03	2,526.86	1,799.35	8,057.22
	Less: Inter Segment Revenues	-	1,849.53	7,599.16	-	-	-
	Net Revenues	11,757.60	4,691.88	29,457.87	2,526.86	1,799.35	8,057.22
2	Segment Results						
	(Profit/(Loss) before tax and interest from each segment)						
	a. Online Advertising	2,476.98	1,291.60	7,655.32	-	-	-
	b. Telecommunication	-	(63.60)	(804.49)	-	13.24	(278.80)
	c. Information Technology Services	-	-	-	2,266.26	1,126.35	5,736.12
	Total	2,476.98	1,228.00	6,850.83	2,266.26	1,139.59	5,457.32
	Less:						
	i. Interest	-	0.02	16.75	-	0.02	1.67
	ii. Other un-allocable expenditure net off un-allocable income	599.36	79.34	911.83	215.09	(62.42)	264.50
	Operating Profit before Tax	1,877.62	1,148.64	5,922.25	2,051.17	1,201.99	5,191.15
3	Capital Employed						
	(Segment assets - Segment liabilities)						
	a. Online Advertising	20,262.50	3,650.01	15,793.38	-	-	-
	b. Telecommunication	-	1,817.51	397.36	-	1,187.29	399.68
	c. Information Technology Services	921.85	2,848.28	1,048.75	5,181.47	2,848.28	4,470.70
	Un-allocable Capital Employed	5,257.41	1,350.30	9,118.62	21,919.52	5,842.45	21,004.36
	Total Capital Employed	26,441.76	9,666.10	26,358.11	27,100.99	9,878.02	25,874.74

Notes:

- The above mentioned unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 30, 2007.
- The above mentioned standalone financial results are subjected to a Limited Review by the Statutory Auditors of the Company in terms of Clause 41 of the Listing Agreement.
- The unaudited consolidated financial results for the quarter ended June 30, 2007 include results of the Company and its Wholly Owned Subsidiaries Axill Inc., Globe7 Inc., Axill Europe Limited, Globe7 HK Limited.
- The Current Income Tax for the quarter ended June 30, 2007 is net off Minimum Alternate Tax credit of Rs. 221 Lakhs
- During the quarter ended June 30, 2007, additional equity investment of Rs. 3,341.47 Lakhs was made in Globe7 HK Limited, Hong Kong, a wholly owned subsidiary.
- During the quarter 3,900 equity shares of Rs.10 each have been allotted to the employees of the Company under Employee Stock Option Plan 2005.
- The Board of Directors at their meeting held on July 07, 2007 approved raising of funds upto Rs.450 Crore by way of GDRs/FCCB subject to the approval of members at the ensuing Annual General Meeting.
- There were no investor complaints received during the quarter and no investor compliants were pending at the beginning or at the end of the quarter ended on June 30, 2007.
- Details of expenditure incurred on staff cost and other expenditures exceeding 10% of the total expenditures are as follows: (Amount Rs.in Lakhs)

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		(1)	(2)	(3)	(4)	(5)	(6)
i.	Staff Cost	363.11	130.08	794.59	189.49	92.52	410.72
ii.	Traffic Acquisition cost	7,951.75	1,749.28	17,202.58	-	-	-
iii.	Loss on Foreign Exchange Fluctuations	-	-	-	238.87	-	-

- Details of utilisation of funds received from preferential issue of equity shares during the quarter as per Clause 43 of the Listing Agreement are as follows: (Amount Rs.in Lakhs)

Funds raised on preferential allotment of Equity shares	12,168.75
Un utilized funds as on March 31, 2007	441.34
Utilisation of funds during the quarter ended June 30, 2007 :	
- Equity investment in wholly owned subsidiary	441.34
Funds Unutilised as on June 30, 2007	Nil

- Figures of previous periods wherever necessary have been regrouped and rearranged.

for and on behalf of the Board

Place: Hyderabad
Date: July 30, 2007

Venkat S. Meenavalli
Chairman and Managing Director

Highlights

Consolidated net revenue was Rs. 117.57 Crore, a YoY increase of 150%.
 Consolidated Gross profit was Rs. 33.90 Crore, a YoY increase of 100%.
 Consolidated Net profit was Rs. 18.37 Crore, a YoY increase of 61%.
 Consolidated EPS (Basic) was Rs. 11.13, a YoY increase of 35%.
 Consolidated net revenue was Rs. 117.57 Crore, a QoQ increase of 15%.
 Consolidated Gross profit was Rs. 33.90 Crore, a QoQ increase of 13%.
 Consolidated Net profit was Rs. 18.37 Crore, a QoQ increase of 4%.
 Consolidated EPS (Basic) was Rs. 11.13, a QoQ increase of 4%.
 Chinese version of Globe7 launched in July 2007.
 More than 2 Million downloads of Chinese version Globe7 were registered within 20 days of its launch.
 Globe7 Internet Phone is continued to be ranked world's # 1 Internet Phone since March 2006. (Source: www.myvoipprovider.com)
 Bharatstudent.com crossed more than 1.5 million registered users.
 Bharatstudent.com is ranked 33 among Top 50 Indian websites (Source: www.alexa.com)