

**UNAUDITED FINANCIAL RESULTS FOR THE
THREE MONTHS AND HALF YEAR ENDED SEPTEMBER 30, 2006**

(in Rs. lakhs, except per share data)

Sr. No.		(1) 3 Months ended 30.09.2006	(2) Corresponding 3 Months in the Previous Year	(3) Year to date figures for Current Period ended 30.09.2006	(4) Year to date figures for the Previous Year	(5) Previous Accounting Year ended 31.03.2006 (Audited)
1	Revenues	2,852.50	1,356.77	4,651.85	3,539.21	8,191.81
2	Cost of Revenues	1,178.09	642.99	1,775.49	2,300.48	4,844.44
3	Gross Profit	1,674.41	713.78	2,876.36	1,238.73	3,347.37
4	General and administrative expenses	37.43	20.50	77.76	35.47	284.54
5	Selling and marketing expenses	34.99	11.35	52.83	14.02	33.73
6	Miscellaneous expenditure written off	2.92	2.92	5.83	5.83	11.66
7	Operating Profit before Interest, Bank charges, Depreciation and amortization	1,599.07	679.01	2,739.94	1,183.41	3,017.44
8	Interest and bank charges	0.60	5.16	0.97	10.19	13.60
9	Depreciation and amortization	49.28	89.94	95.97	144.47	283.83
10	Operating Profit after Interest, Bank charges, Depreciation and amortization	1,549.19	583.91	2,643.00	1,028.75	2,720.01
11	Other Income	4.84	0.46	113.02	0.46	68.45
12	Net Profit before tax and Prior period expenses	1,554.03	584.37	2,756.02	1,029.21	2,788.46
13	Provision for Taxation					
	Current tax	17.00	50.89	32.66	88.79	217.74
	Fringe benefit tax	0.79	0.55	1.29	0.55	1.94
	Deferred Tax	(7.05)	6.46	(3.65)	6.46	27.91
14	Net Profit after tax and before Prior period expenses	1,543.29	526.47	2,725.72	933.41	2,540.87
15	Prior period expenses	-	38.48	-	38.48	126.69
16	Net Profit	1,543.29	487.99	2,725.72	894.93	2,414.18
17	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,396.76	1,372.96	1,396.76	1,372.96	1,396.76
18	Reserves excluding revaluation reserves	-	-	-	-	7,293.92
19	Earnings per share					
	Equity shares of face value of Rs.10/- each					
	-Basic	11.15	4.01	19.70	7.36	18.61
	-Diluted	10.83	4.01	19.13	7.36	18.21
20	Aggregate of Public Shareholding					
	-Number of Shares	7,875,918	7,766,418	7,875,918	7,766,418	7,875,918
	-Percentage of Shareholding	56.91	56.57	56.91	56.57	56.91

Notes:

1. The above mentioned financial results were approved and taken on record by the Board of Directors at their meeting held on October 23, 2006.

2. The above mentioned financial results were reviewed by the Auditors of the Company in terms of Clause 41 of the listing agreement.

3. Details of staff cost and other expenditure exceeding 10% of the total expenditure are as follows:

(in Rs. lakhs)

Sr. No.		(1) 3 Months ended 30.09.2006	(2) Corresponding 3 Months in the Previous Year	(3) Year to date figures for Current Period ended 30.09.2006	(4) Year to date figures for the Previous Year	(5) Previous Accounting Year ended 31.03.2006 (Audited)
i.	Staff Cost	107.54	76.19	200.06	122.78	176.23
ii.	Cost of telecom minutes	1,072.55	1,101.83	1,573.66	2,145.70	4,211.28

4. Details of utilisation of funds received from preferential issue of shares during the quarter as per clause 43 of the Listing Agreement are as follows:

	<i>in Rs. Lakhs</i>
Funds raised (September 2005)	4,355.97
Utilised upto June 30, 2006	3,955.40
Unutilised as on July 01, 2006	400.57
Utilisation of funds during the quarter ended September 30, 2006:	
i. Equity investment in Wholly owned subsidiaries	280.20
ii. Capital expenditure	21.24
iii. Working capital expenditure	99.13
	400.57
Unutilised as on September 30, 2006	-

5. During the quarter ended September 30, 2006 the Company has made additional equity investment of Rs. 1363.48 Lakhs, Rs. 377.60 Lakhs and Rs. 32.24 Lakhs in Axill Inc., USA, Globe7 Inc., USA and Globe7 HK Limited, HK respectively the wholly owned subsidiaries.

6. There were no investor complaints pending at the beginning of the quarter or at the end of quarter September 30, 2006. There were no investor complaints received during the quarter.

7. Figures have been re-arranged and re-grouped wherever necessary.

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

(in Rs. Lakhs)

Sr. No.		(1) 3 Months ended 30.09.2006	(2) Corresponding 3 Months in the Previous Year	(3) Year to date figures for Current Period ended 30.09.2006	(4) Year to date figures for the Previous Year	(5) Previous Accounting Year ended 31.03.2006 (Audited)
1	Segment Revenue					
	a. Information Technology Services	1,722.57	84.21	2,965.45	1016.78	2892.33
	b. Telecommunication	1,129.93	1,272.56	1,686.40	2522.43	5299.48
	Total	2,852.50	1,356.77	4,651.85	3539.21	8191.81
	Less: Inter segment Revenue	-	-	-	-	-
	Net Sales / Income from Operations	2,852.50	1,356.77	4,651.85	3539.21	8191.81
2	Segment Results (Profit/Loss before tax and interest from each segment)					
	a. Information Technology Services	1,562.22	390.74	2,659.33	781.95	2383.67
	b. Telecommunication	27.91	72.20	70.39	290.82	570.31
	Total	1,590.13	462.94	2,729.72	1072.77	2953.98
	Less:					
	i. Interest	0.01	4.68	0.03	9.36	11.78
	ii. Other un-allocable expenditure net off un-allocable income	36.09	(87.63)	(26.33)	72.68	215.94
	Total profit before tax and after prior period expenses	1,554.03	545.89	2,756.02	990.73	2,726.26
3	Capital Employed (Segment assets - Segment liabilities)					
	a. Information Technology Services	3,472.22	6935.18	3,472.22	6935.18	1592.11
	b. Telecommunication	1,936.18	177.70	1,936.18	177.70	576.05
	Un-allocable Capital Employed	6,009.90	292.76	6,009.90	292.76	6522.52
	Total	11,418.30	7,405.64	11,418.30	7405.64	8690.68

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE
THREE MONTHS AND HALF YEAR ENDED SEPTEMBER 30, 2006**

(in Rs. Lakhs except per share data)

Sr. No.		(1) 3 Months ended 30.09.2006	(2) Year to date figures for Current Period ended 30.09.2006	(3) Previous Accounting Year ended 31.03.2006 (Audited)

1	Revenues	6,368.55	11,060.43	10,594.11
2	Cost of Revenues	4,680.39	7,907.06	6,699.66
3	Gross Profit	1,688.16	3,153.37	3,894.45
4	General and administrative expenses	42.19	216.35	541.82
5	Selling and marketing expenses	159.11	237.85	207.08
6	Miscellaneous expenditure written off	2.92	5.83	11.66
7	Operating Profit before Interest, Bank charges, Depreciation and amortization	1,483.94	2,693.34	3,133.89
8	Interest and bank charges	4.81	6.85	20.36
9	Depreciation and amortization	168.95	332.24	507.04
10	Operating Profit after Interest, Bank charges, Depreciation and Amortization	1,310.18	2,354.25	2,606.49
11	Other Income	8.69	113.26	71.59
12	Net Profit before tax and Prior period expenses	1,318.87	2,467.51	2,678.08
13	Provision for Taxation			
	Current tax	17.00	32.66	217.74
	Fringe benefit tax	0.79	1.29	1.94
	Deferred Tax	(7.05)	(3.65)	29.86
14	Net Profit after tax and before Prior period expenses	1,308.13	2,437.21	2,428.54
15	Prior period expenses	-	-	134.28
16	Net Profit before Minority Interest	1,308.13	2,437.21	2,294.26
17	Minority Interest	(11.26)	(20.09)	(28.65)
18	Net Profit	1,319.39	2,457.30	2,322.91
19	Paid-up Equity Share Capital (Face value of Rs. 10 each)	1,396.76	1,396.76	1,396.76
20	Reserves excluding revaluation reserves	-	-	-
21	Earnings per share			
	Equity shares of face value Rs.10/- each			
	-Basic	9.53	17.76	17.91
	-Diluted	9.26	17.24	17.53
22	Aggregate of Public Shareholding			
	-Number of Shares	7,875,918	7,875,918	7,875,918
	-Percentage of Shareholding	56.91	56.91	56.91

- The above mentioned consolidated financial results were approved and taken on record by the Board of Directors at their meeting held on October 23, 2006.
- The Consolidated financial results includes reviewed results (by the respective Auditors) of Axill Inc., USA, Globe7 Inc., USA, Axill Europe Limited, UK, Globe7 HK Limited, HK, the Wholly owned subsidiaries and Northgate Holdings (S) Pte Limited, Singapore, a subsidiary of the Company.
- Figures have been re-arranged and re-grouped wherever necessary.

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

(in Rs. Lakhs)

Sr. No.		(1)	(2)	(3)
		3 Months ended 30.09.2006	Year to date figures for Current Period ended 30.09.2006	Previous Accounting Year ended 31.03.2006 (Audited)
1	Segment Revenue			
	a. Information Technology Services	-	-	3,234.73
	b. Telecommunication	1,247.10	2,296.58	6,820.52
	c. Online Advertising	5,254.37	9,478.62	4,934.17
	Total	6,501.47	11,775.20	14,989.42
	Less: Inter segment Revenue	(132.92)	(714.77)	(4,395.31)
	Net Sales / Income from Operations	6,368.55	11,060.43	10,594.11
2	Segment Results (Profit/Loss before tax and interest from each segment)			
	a. Information Technology Services	-	-	(666.64)
	b. Telecommunication	69.06	5.46	866.17
	c. Online Advertising	1,286.21	2,577.81	2,705.77
	Total	1,355.27	2,583.27	2,905.30
	Less:			
	i. Interest	0.10	0.12	13.65
	ii. Other un-allocable expenditure net off un-allocable income	36.30	115.64	283.36
	Total profit before tax and after prior period expenses	1,318.87	2,467.51	2,608.29
3	Capital Employed (Segment assets - Segment liabilities)			
	a. Information Technology Services	-	-	2,751.78
	b. Telecommunication	2,565.59	2565.59	2,393.50
	c. Online Advertising	9,035.91	9035.91	15.13
	Un-allocable Capital Employed	(79.14)	(79.14)	2,561.70
	Less: Inter segment eliminations	-	-	896.06
	Total	11,522.36	11,522.36	8,618.17

For and on behalf of the Board

Place: Hyderabad
Date : October 23, 2006

Venkat S. Meenavalli
Chairman and Managing Director