

**A.Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2010**

*Amount/Rs. in Lakhs except EPS and Shareholding*

Sl. No	Particulars	For the quarter ended		For six months ended		For the year ended
		30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
		(Unaudited)				(Audited)
	(1)	(2)	(3)	(4)	(5)	
1	Revenues	1,471.84	1,404.11	2,222.97	2,487.79	7,446.34
2	Cost of Revenues	1,207.98	1,328.04	1,923.53	2,398.27	8,410.86
3	<b>Gross Profit</b>	<b>263.86</b>	<b>76.07</b>	<b>299.44</b>	<b>89.52</b>	<b>(964.52)</b>
4	Selling and Marketing expenses	16.38	290.58	36.84	2,215.95	2,205.49
5	General and Administrative expenses	98.59	161.75	246.24	453.79	1,090.81
6	Bad and doubtful debts written off/ provided for	12.17	294.20	45.37	2,042.99	2,025.26
7	Advances written off	-	36.73	-	36.73	75.44
8	Fixed Assets discarded, net/ written off	0.47	-	0.47	81.93	6,218.92
9	<b>Operating Profit/(Loss) before Interest, Depreciation and Amortization</b>	<b>136.25</b>	<b>(707.19)</b>	<b>(29.48)</b>	<b>(4,741.87)</b>	<b>(12,580.44)</b>
10	Depreciation and amortization	92.57	944.84	181.34	1,850.35	2,940.83
11	<b>Operating Profit/(Loss) before Interest</b>	<b>43.68</b>	<b>(1,652.03)</b>	<b>(210.82)</b>	<b>(6,592.22)</b>	<b>(15,521.27)</b>
12	Interest	15.61	10.26	27.42	19.05	24.38
13	<b>Operating Profit/(Loss) after Interest</b>	<b>28.07</b>	<b>(1,662.29)</b>	<b>(238.24)</b>	<b>(6,611.27)</b>	<b>(15,545.65)</b>
14	Other income	4.51	90.86	125.20	297.99	1,192.18
15	<b>Profit/(loss) before tax</b>	<b>32.58</b>	<b>(1,571.43)</b>	<b>(113.04)</b>	<b>(6,313.28)</b>	<b>(14,353.47)</b>
16	Provision for taxation	-	128.56	-	(60.08)	278.56
	- Current	-	-	-	-	-
	- Deferred	-	-	-	-	-
17	<b>Net Profit / (Loss) after tax and before Prior period expenses and Minority Interest</b>	<b>32.58</b>	<b>(1,699.99)</b>	<b>(113.04)</b>	<b>(6,253.20)</b>	<b>(14,632.03)</b>
18	Prior Period Expenses	-	-	-	-	66.41
19	<b>Net Profit / (Loss) after tax and Prior period expenses and before Minority Interest</b>	<b>32.58</b>	<b>(1,699.99)</b>	<b>(113.04)</b>	<b>(6,253.20)</b>	<b>(14,698.44)</b>
20	Minority Interest	0.18	-	0.18	-	-
21	<b>Net Profit / (Loss)</b>	<b>32.76</b>	<b>(1,699.99)</b>	<b>(112.86)</b>	<b>(6,253.20)</b>	<b>(14,698.44)</b>
22	Paid-up Equity Share Capital (Face value of Rs.10 each)	3,514.71	3,514.71	3,514.71	3,514.71	3,514.71
23	Reserves excluding Revaluation Reserve	-	-	-	-	28,338.02
24	Debit balance in profit and loss account	-	-	-	-	(30,103.88)
25	Earnings Per Share (EPS) (Equity shares of face value of Rs.10 each)					
	- Basic	0.09	(4.85)	(17.86)	(17.86)	(41.71)
	- Diluted	0.09	(4.85)	(17.86)	(17.86)	(41.71)
26	Public Shareholding					
	- Number of shares	24,422,474	23,547,989	24,422,474	23,547,989	24,069,808
	- Percentage of shareholding	69.74	67.24	69.74	67.24	68.73
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	10,596,116	11,470,601	10,596,116	11,470,601	10,948,782
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a% of the total share capital of the company)	30.26	32.76	30.26	32.76	31.27

**Notes to the consolidated financial results:**

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 12, 2010.
- The operating profit for the quarter ended September 30, 2010 was Rs. 28.07 Lakhs as compared to an operating loss of Rs. 1,662.29 Lakhs for the corresponding period, primarily from Online Advertising Segment. Notwithstanding the significant erosion of net worth in the previous years, the management believes that the operations would continue to generate cash flows sufficient to meet its liabilities as and when they fall due. Further the group is in the process of raising funds to scale up its operations. Hence, the group believes that the going concern assumption is valid and accordingly these financial statements have therefore been prepared on a going concern basis.
- The Qualified Institutions Placement (QIP) Committee of the Board has closed the QIP issue on November 10, 2010 after receiving subscription for 14 Million equity shares of Rs. 10 each. The floor price of the Issue as per Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 1999 was Rs. 20.26 per equity share.
- The Group commenced Commodities Trading segment effective from September 20, 2010, by way of acquiring 51% stake in Green Fire Agri Commodities Private Limited ( Green Fire) for an agreed cash consideration of Rs. 800.33 Lakhs.
- The Group commenced Derivatives and Securities Trading Segment through 100% subsidiary VAR Quant Tech Securities Private Limited effective from December 10, 2009. However, the group has decided to discontinue the Derivatives and Securities Trading segment effective from October 27, 2010 due to delay in regulatory approvals and revision in business plans. Pursuant to the Share Sale Agreement dated November 11, 2010 for sale of 100% equity share of VAR Quant Tech Securities Private Limited, the Derivatives and Securities Trading has been discontinued. Revenues and the Cost of Revenues for this segment for the half year ended September 30, 2010 is Rs. 50.95 lakhs and Rs. 51.93 lakhs respectively.
- Details of expenditure incurred on staff cost and other expenditure exceeding 10% of the total expenditure are as follows:

Sl. No	Particulars	For the quarter ended		For six months ended		For the year ended
		30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
		(Unaudited)				(Audited)
	(1)	(2)	(3)	(4)	(5)	
i.	Staff cost (included under various heads)	145.95	276.53	307.53	-	1,051.83
ii.	Traffic acquisition cost (included under Cost of Revenues)	840.07	809.44	1,297.27	1,471.70	2,682.96
iii.	Advertisement and business promotion expenses (included under Selling and Marketing Expenses)	-	235.77	-	2,059.57	-
iv.	Cost of Commodities (included under Cost of Revenues)	231.67	-	-	-	-
v.	Cost of Securities (included under Cost of Revenues)	-	-	-	-	4,142.99

## 7 Segment reporting:

Sl. No	Particulars	For the quarter ended		For six months ended		For the year ended
		30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
		(Unaudited)				(Audited)
	(1)	(2)	(3)	(4)	(5)	
1	<b>Segment Revenue</b>					
	a. Online Advertising	1,239.52	1,404.11	1,939.70	2,487.79	3,305.94
	b. Derivative and securities trading	-	-	50.95	-	4,140.40
	c. Commodities trading	232.32	-	232.32	-	-
	<b>Total</b>	<b>1,471.84</b>	<b>1,404.11</b>	<b>2,222.97</b>	<b>2,487.79</b>	<b>7,446.34</b>
	Less: Inter Segment Revenues	-	-	-	-	-
	<b>Net Revenues</b>	<b>1,471.84</b>	<b>1,404.11</b>	<b>2,222.97</b>	<b>2,487.79</b>	<b>7,446.34</b>
2	<b>Segment Results</b>					
	( Profit/(Loss) before tax and interest from each segment)					
	a. Online Advertising	49.71	(1,561.17)	(84.64)	(6,294.23)	(14,313.64)
	b. Derivative and securities trading	(1.14)	-	(0.60)	-	(15.46)
	c. Commodities trading	(0.38)	-	(0.38)	-	-
	<b>Total</b>	<b>48.19</b>	<b>(1,561.17)</b>	<b>(85.62)</b>	<b>(6,294.23)</b>	<b>(14,329.10)</b>
	Less:					
	i. Interest	(15.61)	(10.26)	(27.42)	(19.05)	(24.38)
	ii. Other un-allocable expenditure net off un-allocable income	-	-	-	-	-
	<b>Operating Profit before Tax</b>	<b>32.58</b>	<b>(1,571.43)</b>	<b>(113.04)</b>	<b>(6,313.28)</b>	<b>(14,353.48)</b>
3	<b>Capital Employed</b>					
	(Segment assets - Segment liabilities)					
	a. Online Advertising	1,028.58	11,847.64	1,028.58	11,847.64	1,754.31
	b. Derivative and securities trading	3.94	-	3.94	-	(5.46)
	c. Commodities trading	12.62	-	12.62	-	-
4	Un-allocable Capital Employed	-	-	-	-	-
	<b>Total Capital Employed</b>	<b>1,045.14</b>	<b>11,847.64</b>	<b>1,045.14</b>	<b>11,847.64</b>	<b>1,748.85</b>

## 8 Statement of Assets and Liabilities :

Particulars	As at	
	30.09.2010	30.09.2009
	(Unaudited)	
<b>SHARE HOLDERS' FUNDS</b>		
(a) Share capital	3,514.71	3,514.71
(b) Reserves and Surplus	27,657.95	29,483.21
<b>LOAN FUNDS</b>		
(a) Secured loan	756.03	254.17
(b) Unsecured loan	153.13	-
<b>MINORITY INTEREST</b>	12.12	-
<b>TOTAL</b>	<b>32,093.94</b>	<b>33,252.09</b>
<b>FIXED ASSETS</b>	1,359.48	9,554.89
<b>DEFERRED TAX ASSET</b>	-	143.77
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
(a) Sundry debtors	1,523.56	1,929.27
(b) Cash and bank balances	188.59	789.40
(c) Loans and advances	899.45	1,223.10
Less: Current liabilities and provisions		
(a) Current liabilities	1,995.07	2,035.47
(b) Provisions	9.59	11.49
<b>Net current assets</b>	<b>606.94</b>	<b>1,894.81</b>
<b>PROFIT AND LOSS ACCOUNT</b>	30,127.52	21,658.62
<b>TOTAL</b>	<b>32,093.94</b>	<b>33,252.09</b>

9 Previous period figures have been regrouped, rearranged, restated and reclassified where ever necessary, for the purpose of comparison.

for and on behalf of the Board

Place: Hyderabad  
Date: November 12, 2010Venkat S. Meenavalli  
Chairman and Managing Director