

**KRONE COMMUNICATIONS LIMITED**  
**10 ( C ), II PHASE, PEENYA, BANGALORE 560 058**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED APRIL 30, 2007**

Sl. No.	Particulars	(Rs. In Lakhs)				Previous Accounting Year Ended on 31.10.2006 (Audited) (5)
		Quarter Ended		Half Year Ended		
		30.04.2007 (Unaudited) (1)	30.04.2006 (Unaudited) (2)	30.04.2007 (Unaudited) (3)	30.04.2006 (Unaudited) (4)	
1	Net Sales / Income from Operations	2,029	2,169	4,451	4,129	8,061
2	Other Income	66	43	159	104	364
	Total Income	2,095	2,212	4,610	4,233	8,425
3	Total Expenditure					
	a. Decrease / (Increase) in stock	91	45	98	(25)	(149)
	b. Consumption of raw materials	1,243	1,586	3,189	2,998	5,831
	c. Staff cost	229	156	390	297	648
	d. Other expenditure	176	240	383	387	879
4	Interest	1	2	2	3	5
5	Depreciation	47	31	133	18	124
6	Profit before Tax	308	152	415	555	1,087
7	Provision for tax					
	- Current Tax	140	64	198	189	414
	- Deferred Tax	(34)	(6)	(57)	3	(48)
	- Fringe Benefits Tax	4	5	9	9	17
8	Net Profit	198	89	265	354	704
9	Paid-up Equity Share Capital (Face value of each share - Rs.10/-)	460	460	460	460	460
10	Reserves excluding revaluation reserve (as per Balance sheet) of previous accounting year	N.A	N.A	N.A	N.A	3,419
11	Basic and diluted EPS (In Rs.)	4.30	1.93	5.76	7.69	15.30
12	Aggregate of non-promoter shareholding					
	-Number of Shares	1743033	1743033	1743033	1743033	1743033
	-Percentage of Shareholding	37.89%	37.89%	37.89%	37.89%	37.89%

**Notes :**

- 1 The above results were taken on record by the Board at its meeting held on 21st May 2007.
- 2 A Limited review of the financial results of the quarter ended 30th April 2007 has been carried out by the Statutory Auditors of the company pursuant to Clause 41 of the Listing Agreement.
- 3 Net Sales / Income from operations is exclusive of excise duty.
- 4 The Company was charging depreciation on straight line method for certain categories of assets and written down value method for other assets. This has now been aligned to straight line method for all assets and management has also reassessed their estimate of useful lives of assets ranging from 1 to 20 years. The depreciation for the current quarter includes impact of accelerated depreciation provided on account of revised useful lives. The depreciation for previous corresponding quarter has been recomputed on straight line method, based on the old useful life estimates.
- 5 Information on investor complaints for the quarter - (Nos.): Opening balance-0, New-8, Disposals-8, Closing Balance-0.
- 6 Previous periods / financial year ended figures are regrouped/reclassified in line with the current period.

**By Order of the Board**

Place : Bangalore  
Date : May 21, 2007

Director

**Segment wise Revenue, Results and Capital Employed**

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended 30.04.2007 (Unaudited) (1)	Quarter Ended 30.04.2006 (Unaudited) (2)	Half Year Ended 30.04.2007 (Unaudited) (3)	Half Year Ended 30.04.2006 (Unaudited) (4)	Previous Accounting Year Ended on 31.10.2006 (Audited) (5)
1	Segment Revenue					
	a. Telecommunication	1,113	1,671	3,037	3,177	5,508
	b. IT - Networking	916	498	1,414	952	2,553
	Total	2,029	2,169	4,451	4,129	8,061
	Less : Inter segment revenue	-	-	-	-	-
	Net sales / income from operations	2,029	2,169	4,451	4,129	8,061
2	Segment Profit / (Loss) before Tax and Interest					
	a. Telecommunication	194	125	244	419	801
	b. IT - Networking	115	19	139	89	306
	Total	309	144	383	508	1,107
	Add/(Less) : a. Interest	10	13	24	25	48
	b. Other un-allocable expenditure net off un-allocable income	(11)	(5)	8	22	(68)
	Total Profit Before Tax	308	152	415	555	1,087
3	Capital Employed					
	a. Telecommunication	1,797	1,819	1,797	1,819	1,906
	b. IT - Networking	991	599	991	599	890
	c. Unallocable	1,287	1,307	1,287	1,307	1,083
	Total	4,075	3,725	4,075	3,725	3,879

**Note :**

Capital Employed - Unallocable amount represents assets/liabilities used interchangeably between segments.

**By Order of the Board**

Place : Bangalore  
Date : May 21, 2007

**Director**