

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JANUARY 31, 2007

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended 31.01.2007 (Unaudited) (1)	Quarter Ended 31.01.2006 (Unaudited) (2)	Previous Accounting Year Ended on 31.10.2006 (Audited) (3)
1	Net Sales / Income from Operations	2,422	1,960	8,061
2	Other Income	93	61	364
	Total Income	2,515	2,021	8,425
3	Total Expenditure			
	a. Decrease / (Increase) in stock	7	(70)	(149)
	b. Consumption of raw materials	1,946	1,412	5,831
	c. Staff cost	161	141	648
	d. Other expenditure	207	147	879
4	Interest	1	1	5
5	Depreciation	86	(13)	124
6	Profit before Tax	107	403	1,087
7	Provision for tax			
	- Current Tax	58	125	414
	- Deferred Tax	(23)	9	(48)
	- Fringe Benefits Tax	5	4	17
8	Net Profit	67	265	704
9	Paid-up Equity Share Capital (Face value of each share - Rs.10/-)	460	460	460
10	Reserves excluding revaluation reserve (as per Balance sheet) of previous accounting year	N.A	N.A	3,419
11	Basic and diluted EPS (In Rs.)	1.46	5.75	15.30
12	Aggregate of non-promoter shareholding			
	-Number of Shares	1743033	1743033	1743033
	-Percentage of Shareholding	37.89%	37.89%	37.89%

Notes :

- 1 The above results were taken on record by the Board at its meeting held on 21 February, 2007.
- 2 A Limited review of the financial results of the quarter ended 31st January 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 the estimate useful lives of assets ranging from 1 to 20 years. The depreciation for the current quarter includes impact of write back of excess depreciation provided in earlier years Rs.47.5 lakhs (Previous quarter - Rs.42.8 lakhs) as well as the 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-10, Disposals-10, Closing Balance-0.
- 6 Previous period figures are regrouped/reclassified in line with the current period.

By Order of the Board

Place : Bangalore
Date : February 21, 2007

Director

Segment wise Revenue, Results and Capital Employed

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended 31.01.2007 (Unaudited) (1)	Quarter Ended 31.01.2006 (Unaudited) (2)	Previous Accounting Year Ended on 31.10.2006 (Audited) (3)
1	Segment Revenue			
	a. Telecommunication	1,924	1,506	5,508
	b. IT - Networking	498	454	2,553
	Total	2,422	1,960	8,061
	Less : Inter segment revenue	-	-	-
	Net sales / income from operations	2,422	1,960	8,061
2	Segment Profit / (Loss) before Tax and Interest			
	a. Telecommunication	50	294	801
	b. IT - Networking	24	70	306
	Total	74	364	1,107
	Add/(Less) : a. Interest	14	12	48
	b. Other un-allocable expenditure net off un-allocable income	19	27	(68)
	Total Profit Before Tax	107	403	1,087
3	Capital Employed			
	a. Telecommunication	1,721	1,919	1,906
	b. IT - Networking	880	589	890
	c. Unallocable	1,346	1,090	1,083
	Total	3,947	3,598	3,879

Note :

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

By Order of the Board

Place : Bangalore

Date : February 21, 2007

Director