

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

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JULY 31, 2005

(Rs. In Lakhs)

SI. No.	Particulars	Quarter Ended 31.07.2005 (1)	Nine months Ended 31.07.2005 (2)	Financial Year Ended
				31.10.2004 (Audited) (3)
1	Net Sales / Income from Operations	2,394	5,543	3,759
2	Other Income	90	220	190
	Total Income	2,484	5,763	3,949
3	Total Expenditure			
	a. (Increase) / decrease in stock	(20)	(38)	(7)
	b. Consumption of raw materials	1,676	3,861	2,416
	c. Staff cost	135	442	355
	d. Other expenditure	201	500	534
4	Interest	1	3	4
5	Depreciation	29	89	92
6	Profit before Tax	462	906	555
7	Provision for tax			
	- Current Tax	160	325	179
	- Deferred Tax	(6)	5	(9)
	- Fringe Benefits Tax	4	6	
	- Adjustment of earlier period (Refer Note - 5 below)	60	70	27
8	Net Profit	244	500	358
9	Paid-up Equity Share Capital (face value of each share - Rs.10/-)	460	460	460
10	Reserves	N.A.	N.A.	2,419
11	Basic and diluted EPS for the period, for the year to date and for the previous year (Rs. Per Share)	5.30	10.86	7.80
12	Aggregate of Non-Promoter Shareholding			
	Number of Shares	1743033	1743033	1748000
	Percentage of Shareholding	37.89%	37.89%	38.00%

Notes :

- 1 The above results were taken on record by the Board at its meeting held on August 30, 2005.
- 2 A limited review of the financial results of the quarter ended 31st July 2005 has been carried out by the Statutory Auditors of the company pursuant to Clause 41 of the Listing Agreement.
- 3 In view of changed accounting year (November - October) of the Company, the results for the quarter is for the period May 01, 2005 to July 31, 2005.
- 4 Since the months comprising the 3rd quarter and the nine months of previous year are different from that of this year, the same are not comparable with the current quarter and nine months results and hence not published.
- 5 Provision for tax for the quarter ended July 31, 2005 includes Rs.60 Lakhs towards disputed income tax demand of earlier year. The Company has preferred an appeal to higher authorities pending which a provision has been made.
- 6 Net Sales / Income from operations is exclusive of excise duty.
- 7 Information on investor complaints for the quarter - (Nos.): Opening balance-0, New-6, Disposals-6, Closing Balance-0.
- 8 Previous financial year ended figures are regrouped/reclassified in line with the current period.

By Order of the Board

Place : Bangalore
Date : August 30, 2005

Director

Segment wise Revenue, Results and Capital Employed

(Rs. In Lakhs)

Sl. No.	Particulars	For the Quarter ended 31.07.2005 (1)	Nine months ended 31.07.2005 (2)	Financial Year Ended
				31.10.2004 (Audited) (3)
1	Segment Revenue			
	a. Telecommunication	1,972	4,078	2,690
	b. IT - Networking	422	1,465	1,069
	Total	2,394	5,543	3,759
	Less : Inter segment revenue	-	-	-
	Net sales / income from operations	2,394	5,543	3,759
2	Segment Profit / (Loss) before Tax and Interest			
	a. Telecommunication	374	682	470
	b. IT - Networking	78	202	62
	Total	452	884	532
	Add/(Less) : a. Interest	9	27	52
	b. Other un-allocable expenditure net off un-allocable income	1	(5)	(29)
	Total Profit Before Tax	462	906	555
3	Capital Employed			
	a. Telecommunication	1,861	1,861	1,602
	b. IT - Networking	439	439	423
	c. Unallocable	1,079	1,079	854
	Total	3,379	3,379	2,879

Notes :

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

By Order of the Board

Place : Bangalore
Date : August 30, 2005

Director