

FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2009

Amount/Rs. in Lakhs except EPS and Shareholding

Sl. No.	Particulars	Consolidated				Standalone			
		3 Months ended		Year ended		3 Months ended		Year ended	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
		(Unaudited)		(Audited)		(Unaudited)		(Audited)	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	
1	Revenues	4,906.72	16,266.64	56,034.27	55,125.09	262.48	447.04	1,299.71	6,194.34
2	Cost of Revenues	4,253.96	10,321.29	35,628.20	36,609.03	76.64	198.01	517.51	810.90
3	Gross Profit	652.76	5,945.35	20,406.07	18,516.06	185.84	249.03	782.20	5,383.44
4	Selling and Marketing Expenses	2,603.97	2,253.20	9,184.16	6,586.11	(5.99)	6.75	6.66	39.84
5	General and Administrative Expenses	60.73	944.73	1,216.80	1,791.96	21.18	104.87	271.89	483.71
6	Bad and Doubtful debts written off / provided for	17,790.09	65.50	17,790.09	66.26	-	-	-	2.88
7	Advances written off	422.80	-	629.94	-	-	-	-	-
8	Fixed assets written off	16,142.11	0.47	16,457.87	263.87	(24.87)	-	290.89	0.47
9	Provision for decline in value of Long Term Investment	-	-	-	-	26,277.37	-	26,277.37	-
10	Operating Profit/(Loss) before Interest, Depreciation and Amortization	(36,366.94)	2,681.45	(24,872.79)	9,807.86	(26,081.85)	137.41	(26,064.61)	4,856.54
11	Depreciation and Amortization	1,942.82	907.44	7,157.57	1,790.46	37.06	47.48	161.20	194.66
12	Operating Profit/(Loss) before Interest	(38,309.76)	1,774.01	(32,030.36)	8,017.40	(26,118.91)	89.93	(26,225.81)	4,661.88
13	Interest	11.28	3.48	99.41	3.48	0.88	2.12	4.15	2.12
14	Operating Profit/(Loss) after Interest	(38,321.04)	1,770.53	(32,129.77)	8,013.92	(26,119.79)	87.81	(26,229.96)	4,659.76
15	Other Income	341.38	804.27	1,809.67	(21.39)	29.40	339.41	1,025.10	(548.54)
16	Profit/(Loss) from ordinary activities before Tax	(37,979.66)	2,574.80	(30,320.10)	7,992.53	(26,090.39)	427.22	(25,204.86)	4,111.22
17	Provision for Taxation	-	-	-	-	-	-	-	-
	- Current	(1,742.67)	(42.37)	22.45	62.34	38.58	-	169.65	26.00
	- Fringe benefit	(0.48)	3.01	12.75	16.54	(73.79)	1.37	3.60	11.28
	- Deferred	(965.41)	601.21	(807.40)	644.87	3.60	(79.44)	(70.76)	(60.41)
18	Net Profit / (Loss) from ordinary activities after tax and before Minority Interest	(35,271.10)	2,012.95	(29,547.90)	7,268.78	(26,058.78)	505.29	(25,307.35)	4,134.35
19	Minority Interest	-	(5.73)	(3.87)	(15.88)	-	-	-	-
20	Net Profit / (Loss) for the period	(35,271.10)	2,018.68	(29,544.03)	7,284.66	(26,058.78)	505.29	(25,307.35)	4,134.35
21	Paid-up Equity Share Capital (Face value of Rs.10 each)	3,514.71	3,498.71	3,514.71	3,498.71	3,514.71	3,498.71	3,514.71	3,498.71
22	Reserves excluding Revaluation Reserve (as per balance sheet) of previous accounting year	-	-	-	38,684.38	-	-	11,056.42	36,285.58
23	Earnings Per Share (EPS) (Equity shares of face value of Rs.10 each)								
	- Basic	(100.93)	5.79	(84.54)	21.53	(74.57)	1.33	(72.42)	12.22
	- Diluted	(100.93)	5.64	(84.54)	20.97	(74.57)	1.30	(72.42)	11.90
24	Public Shareholding								
	- Number of Shares	23,547,989	23,320,577	23,547,989	23,320,577	23,547,989	23,320,577	23,547,989	23,320,577
	- Percentage of Shareholding	67.24	66.90	67.24	66.90	67.24	66.90	67.24	66.90
25	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	11,470,601	11,538,013	11,470,601	11,538,013	11,470,601	11,538,013	11,470,601	11,538,013
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100	100	100
	- Percentage of shares (as a% of the total share capital of the company)	32.76	33.10	32.76	33.10	32.76	33.10	32.76	33.10

Notes:

- The above financial results has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on May 15, 2009.
- The company has opted to publish only consolidated financial results pursuant to Clause 41 of the Listing agreement. The audited standalone financial results are available on the company's website www.northgatetech.com and on the website of National Stock Exchange (www.nseindia.com).
- The Company's business activities relate to only one business segment i.e Online Advertising.
- In March 2009 the Company closed Hong Kong based Server Farm, sales and marketing offices in Hong Kong, Singapore and Beijing, China as a result fixed assets having carrying value of Rs. 13,753.62 Lakhs , sundry debtors considered irrecoverable amounting to Rs.4,751.20 Lakhs and gaming engines deployed on gaming portal www.eggad.com having net book value of Rs. 2,264.31Lakhs have been written off.
- During the quarter ended March 2009 the company based on review of long outstanding sundry debtors has written off / provided for an amount of Rs. 13,668.83 Lakhs arising from non receipt of receivables from customers as the end advertisers defaulted on payment to our Customers.

6. In March 2009 the Company has provided for an amount Rs.26,277.37 Lakhs as an other than temporary decline in the value of its investment in Northgate Investments Pte Limited, wholly owned subsidiary in proportion to the write down of its investments made in setting up of Hong Kong based server farm, purchase of gaming engines on gaming portal www.egglad.com and setting up of sales and Marketing office in Hong Kong, Singapore and Beijing (China).

7. During the year ended March 31, 2009, Social Media India Limited has become wholly owned subsidiary of the Company consequent to the purchase of 4% minority interest from promoters for a consideration of Rs. 100 lakhs at cost.

8. During the quarter ended March 31, 2009 two investor complaint was received and the same was resolved. No investor complaints were pending either at the beginning or at the end of the quarter.

9. Details of expenditure incurred on staff cost and other expenditures exceeding 10% of the total expenditures are as follows:

Amount Rs. in Lakhs

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		3 Months ended		Year ended		3 Months ended		Year ended	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
		(Unaudited)		(Audited)		(Unaudited)		(Audited)	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	
i.	Staff Cost (included under various heads)	390.44	577.60	2,500.38	1,849.12	42.22	170.95	456.35	727.21
ii.	Traffic Acquisition cost (included under Cost of Revenues)	2,820.18	9,588.91	30,182.83	34,364.45	-	-	-	-
iii.	Loss on Foreign Exchange Fluctuations (included under Other Income)	-	-	-	-	(11.38)	(329.99)	819.51	161.67

10. Previous year figures have been regrouped/reclassified where necessary to conform to current years figures.

for and on behalf of the Board

Place: Hyderabad
Date: May 15, 2009

Venkat S. Meenavalli
Chairman and Managing Director