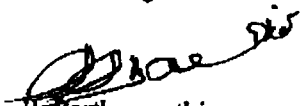


Accordingly, the Board has made relentless efforts and persuaded Mr. Venkat S Meenavalli to continue as Chairman and Managing Director, he being the technocrat who built the Company with his passion and vision, and succeeded in getting his consent. Mr. Venkat S Meenavalli has agreed to continue as Chairman and Managing Director and to scale up the existing business and promised to bring Northgate Technologies back to profitability within the next two quarters, for which act of positive response and undertaking the Board is very much pleased.

Earlier, even during the proceedings of 21st June 2010 board meeting the Board expressed its considered opinion to keep the acceptance of resignation of Mr. K. Bhaskara Reddy in abeyance in view of the fact that he was at the helm of financial affairs of the company, being the mandate holder to operate bank accounts, and has not taken any initiative to hand over the charge so as to enable the Board to relieve him from his responsibilities.

Thanking you,

Yours truly,
For Northgate Technologies Limited


P. Parthasarathi
Director
Copy to BSE



Northgate Technologies Limited
Regd. Off : Lakshmi Cyber City, Block 'B', 3rd Floor, Kondapur, Hyderabad 500 084

A. CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2010

Amount/Rs. in Lakhs except EPS and Shareholding

Sl.No.	Particulars	3 Months ended		Year ended
		30.06.2010	30.06.2009	31.03.2010
		(Unaudited)		(Audited)
		(1)	(2)	(3)
1	Revenues	751.13	1,083.69	7,446.34
2	Cost of Revenues	715.55	1,070.23	8,410.86
3	Gross Profit / (Loss)	35.58	13.46	(964.52)
4	Selling and Marketing Expenses	20.46	1,925.36	2,205.49
5	General and Administrative Expenses	147.66	292.04	1,090.81
6	Bad and Doubtful debts written off/ provided for	33.20	1,748.79	2,025.26
7	Advances written off	-	-	75.44
8	Fixed Assets discarded, net / written off	-	81.93	6,218.92
9	Operating Profit/(Loss) before Interest, Depreciation and Amortization	(165.74)	(4,034.66)	(12,580.44)
10	Depreciation and Amortization	88.77	905.30	2,940.83
11	Operating Profit/(Loss) before Interest	(254.51)	(4,940.16)	(15,521.27)
12	Interest	11.81	8.79	24.38
13	Operating Profit/(Loss) after Interest	(266.32)	(4,948.95)	(15,545.65)
14	Other Income	120.69	207.13	1,192.18
15	Profit/(Loss) from ordinary activities before Tax	(145.63)	(4,741.82)	(14,353.47)
16	Provision for Taxation	-	(188.65)	278.56
	- Current	-	-	-
	- Deferred	-	-	-
17	Net Profit / (Loss) from ordinary activities after tax and before Prior period expenses	(145.63)	(4,553.17)	(14,632.03)
18	Prior Period expenses	-	-	66.41
19	Net Profit / (Loss) for the period	(145.63)	(4,553.17)	(14,698.44)
20	Paid-up Equity Share Capital (Face value of Rs.10 each)	3,514.71	3,514.71	3,514.71
21	Reserves excluding Revaluation Reserve	-	-	28,338.02
22	Debit balance in profit and loss account	-	-	(30,103.88)
23	Earnings Per Share (EPS) (Equity shares of face value of Rs.10 each)			
	- Basic	(0.42)	(13.00)	(41.71)
	- Diluted	(0.42)	(13.00)	(41.71)
24	Public Shareholding			
	- Number of Shares	24,122,474	23,547,989	24,069,808
	- Percentage of Shareholding	68.88	67.24	68.73
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	10,896,116	11,470,601	10,948,782
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	31.12	32.76	31.27



Notes to the consolidated financial results:

- The above consolidated financial results has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on August 4, 2010.
- The Operating Loss before Interest, Depreciation and Amortization of Rs. 165.74 lakhs includes expense of Rs.76.16 Lakhs relating to the London based data centre. As a part of restructuring, the said data centre was closed during the previous quarter ended March 2010. Hence, the Operating Loss before Interest, Depreciation and Amortization for the quarter ended June 30, 2010 excluding Data centre expenses and Bad and Doubtful debts written off is Rs. 56.38 lakhs. Therefore the Group believes that the current level of operations will generate operating cash flows sufficient to meet its ongoing expenses. Hence, the Group believes that the going concern assumption is valid and the online advertising segment is a continuing segment. These financial statements have therefore been prepared on a going concern basis.
- The Group commenced Securities Trading on 10 December 2009 through its subsidiary VAR Quant Tech Securities Private Limited (Var Quant). VAR Quant is in the process of seeking the required regulatory approvals to continue the business of securities trading.
- In case of the Securities trading business carried out through VAR Quant, the Group records the purchase and sale transactions (Rs. 50.94 lakhs and Rs.50.95 lakhs respectively) of securities on a gross basis under "Cost of Revenues" and "Revenues" respectively. In the absence of a prescribed mandatory definite accounting treatment under Indian GAAP, the Company believes that a gross presentation fairly represents the underlying nature and substance of the intra-day securities trading activities undertaken during the quarter.
- Details of expenditure incurred on staff cost and other expenditures exceeding 10% of the total expenditures are as follows:

SLNo.	Particulars	Amount/Rs. In Lakhs		
		3 Months ended		Year ended
		30.06.2010	30.06.2009	31.03.2010
		(Unaudited)		(Audited)
	(1)	(2)	(3)	
i.	Staff Cost (included under various heads)	161.58	273.89	1,051.83
ii.	Traffic Acquisition cost (included under Cost of Revenues)	457.20	618.63	2,682.96
iii.	Advertisement and business promotion expenses (included under Selling and Marketing Expenses)	-	1,867.42	-
iv.	Cost of Securities (included under Cost of Revenues)	50.94	-	4,142.99

6. Segment reporting:

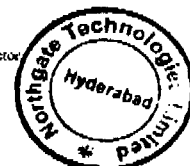
SLNo.	Particulars	Amount/Rs. In Lakhs		
		3 Months ended		Year ended
		30.06.2010	30.06.2009*	31.03.2010
		(Unaudited)		(Audited)
	(1)	(2)	(3)	
Segment wise revenue, results and capital employed:				
1	Segment Revenues			
a.	Online Advertising	700.18	-	3,305.94
b.	Securities Trading	50.95	-	4,140.40
	Total	751.13	-	7,446.34
	Less: Inter Segment Revenues	-	-	-
	Net Revenues	751.13	-	7,446.34
2	Segment Results			
	(Profit/(Loss) before tax and interest from each segment)			
a.	Online Advertising	(134.36)	-	(14,313.63)
b.	Securities Trading	0.54	-	(15.46)
	Total	(133.82)	-	(14,329.09)
	Less:			
i.	Interest	(11.81)	-	(24.38)
ii.	Other unallocable expenditure net off unallocable income	-	-	-
	Profit/(Loss) from ordinary activities before Tax and prior period expenses	(145.63)	-	(14,353.47)
3	Capital Employed			
	(Segment assets - Segment liabilities)			
a.	Online Advertising	1,096.57	-	1,754.31
b.	Securities Trading	(4.92)	-	(5.46)
	Unallocable Capital Employed	-	-	-
	Total	1,091.65	-	1,748.85

* The Group commenced Securities Trading on 10th December 2009.

7. Previous period figures have been regrouped/reclassified where necessary to conform to current period figures.

for and on behalf of the Board

M. S. Meenavalli
Venkat S. Meenavalli
Chairman and Managing Director



Place: Hyderabad
Date: August 04, 2010