

**UNAUDITED FINANCIAL RESULTS FOR THE
 THREE MONTHS AND NINE MONTHS ENDED DECEMBER 31, 2006**

(Figures in Rs. lakhs, except share data)

Sl. No.		(1) 3 Months ended 31.12.2006 (Unaudited)	(2) Corresponding 3 Months in the Previous Year (Unaudited)	(3) Year to date figures for the Current Period ended 31.12.2006 (Unaudited)	(4) Year to date figures for the Previous period ended 31.12.2005 (Unaudited)	(5) Previous Accounting Year ended 31.03.2006 (Audited)
1	Net Revenues	1,777.85	2,037.68	6,429.70	5,576.89	8,191.81
2	Cost of Revenues	143.40	1,224.68	1,918.89	3,525.16	4,844.44
3	Gross Profit	1,634.45	813.00	4,510.81	2,051.73	3,347.37
4	General and administrative expenses	37.64	47.32	116.34	83.62	286.36
5	Selling and marketing expenses	5.65	14.24	58.48	28.26	33.73
6	Miscellaneous expenditure written off	2.91	2.91	8.74	8.74	11.66
7	Operating Profit before Interest, Depreciation and amortization	1,588.25	748.53	4,327.25	1,931.11	3,015.62
8	Interest	0.02	3.92	0.05	13.28	11.78
9	Depreciation and amortization	50.82	71.93	146.79	201.40	283.83
10	Operating Profit after Interest, Depreciation and amortization	1,537.41	672.68	4,180.41	1,716.43	2,720.01
11	Other Income	(70.74)	55.06	42.28	55.52	68.45
12	Net Profit before tax and Prior period expenses	1,466.67	727.74	4,222.69	1,771.95	2,788.46
13	Provision for Taxation					
	Current tax	29.48	53.03	62.14	141.82	217.74
	Fringe benefit tax	0.81	0.87	2.10	1.42	1.94
	Deferred Tax	47.94	3.23	44.29	9.69	27.91
14	Net Profit after tax and before Prior period expenses	1,388.44	670.61	4,114.16	1,619.02	2,540.87
15	Prior period expenses	-	12.97	-	66.45	126.69
16	Net Profit	1,388.44	657.64	4,114.16	1,552.57	2,414.18
17	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,655.64	1,396.76	1,655.64	1,396.76	1,396.76
18	Reserves excluding revaluation reserves	-	-	-	-	7,293.92
19	Earnings per share (Equity shares of face value of Rs.10 each)					
	-Basic	8.99	4.78	28.62	12.23	18.61
	-Diluted	8.75	4.68	27.79	11.95	18.21
20	Aggregate of Public Shareholding					
	-Number of Shares	10,464,730	7,875,918	10,464,730	7,875,918	7,875,918
	-Percentage of Shareholding	63.70	56.91	63.70	56.91	56.91

Notes:

- The above mentioned financial results were approved and taken on record by the Board of Directors at their meeting held on January 27, 2007.
- The above mentioned financial results were reviewed by the Auditors of the Company in terms of Clause 41 of the Listing Agreement.
- Details of staff cost and other expenditure included under various heads exceeding 10% of the total expenditure are as follows:

Sl. No.		(1) 3 Months ended 31.12.2006 (Unaudited)	(2) Corresponding 3 Months in the Previous Year (Unaudited)	(3) Year to date figures for the Current Period ended 31.12.2006 (Unaudited)	(4) Year to date figures for the Previous period ended 31.12.2005 (Unaudited)	(5) Previous Accounting Year ended 31.03.2006 (Audited)
i.	Staff Cost	99.98	43.53	300.04	166.31	176.23
ii.	Cost of telecom minutes	-	1,144.53	1,573.66	3,290.23	4,211.28

- During the quarter 24,47,062 equity shares of face value of Rs. 10 each at a price of Rs. 497.28 per share including share premium of Rs. 487.28 per share were allotted to Foreign Institutional Investors on Preferential basis as per Chapter XIII of SEBI Guidelines on Preferential issues.

- Details of utilisation of funds received from preferential issue of equity shares during the quarter as per Clause 43 of the Listing Agreement are as follows:

	in Rs. Lakhs
Funds raised on preferential allotment of Equity shares	12,168.75
Utilisation of funds during the quarter ended December 31, 2006:	
i. Equity investment in Wholly owned subsidiaries	11,249.37
ii. Issue expenses	478.04
Total Funds utilised upto 31.12.2006	11,727.41
Funds Unutilised as on December 31, 2006	441.34

- During the quarter additional equity investment of Rs. 7649.57 Lakhs and Rs. 3599.80 Lakhs were made in Axill Europe Limited, UK, and Globe7 HK Limited, Hongkong respectively, wholly owned subsidiaries of Northgate Technologies Limited.
- During the quarter 63.80% equity stake held in Northgate Holdings (S) Pte. Limited was sold for consideration of USD 7 Lakhs and transfer of ownership was effected on 01.01.2007.
- There were no Investor complaints pending at the beginning of the quarter. During the quarter the Company has received 3 complaints and disposed off all the complaints. There were no Investor complaints pending at the end of the quarter.
- Figures have been regrouped and rearranged wherever necessary.

Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement

(Figures in Rs.Lakhs)

Sl. No.		(1) 3 Months ended 31.12.2006 (Unaudited)	(2) Corresponding 3 Months in the Previous Year (Unaudited)	(3) Year to date figures for the Current Period ended 31.12.2006 (Unaudited)	(4) Year to date figures for the Previous period ended 31.12.2005 (Unaudited)	(5) Previous Accounting Year ended 31.03.2006 (Audited)
1	Segment Revenue					
	a. Information Technology Services	1,775.67	668.71	4,741.12	1,685.49	2892.33
	b. Telecommunication	2.18	1,368.97	1,688.58	3,891.40	5299.48
	Total	1,777.85	2,037.68	6,429.70	5,576.89	8191.81
	Less: Inter segment Revenue	-	-	-	-	-
	Net Revenues	1,777.85	2,037.68	6,429.70	5,576.89	8191.81
2	Segment Results					
	(Profit/Loss before tax and interest from each segment)					
	a. Information Technology Services	1,606.89	568.12	4,266.22	1,350.07	2383.67
	b. Telecommunication	(32.59)	154.54	37.80	445.36	570.31
	Total	1,574.30	722.66	4,304.02	1,795.43	2953.98
	Less:					
	i. Interest	0.02	3.92	0.05	13.28	11.78
	ii. Other un-allocable expenditure net off un-allocable income	107.61	3.97	81.28	76.65	215.94
	Total profit before tax and after prior period expenses	1,466.67	714.77	4,222.69	1,705.50	2,726.26
3	Capital Employed					
	(Segment assets - Segment liabilities)					
	a. Information Technology Services	4,852.98	4264.07	4,852.98	4264.07	1592.11
	b. Telecommunication	515.57	900.19	515.57	900.19	576.05
	Un-allocable Capital Employed	19,359.49	3317.43	19,359.49	3317.43	6522.52
	Total	24,728.04	8,481.69	24,728.04	8481.69	8690.68

For and on behalf of the Board

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE
THREE MONTHS AND NINE MONTHS ENDED DECEMBER 31, 2006**

(Figures in Rs. Lakhs except share data)

Sl. No.		(1)	(2)	(3)
		3 Months ended 31.12.2006 (Unaudited)	Year to date figures for Current Period ended 31.12.2006 (Unaudited)	Previous Accounting Year ended 31.03.2006 (Audited)
1	Net Revenues	8,194.88	19,255.31	10,594.11
2	Cost of Revenues	5,931.61	13,838.67	6,699.66
3	Gross Profit	2,263.27	5,416.64	3,894.45
4	General and administrative expenses	248.58	471.75	548.53
5	Selling and marketing expenses	84.43	322.28	207.08
6	Miscellaneous expenditure written off	2.91	8.74	11.66
7	Operating Profit before Interest, Depreciation and amortization	1,927.35	4,613.87	3,127.18
8	Interest	0.02	0.05	13.65
9	Depreciation and amortization	192.74	524.98	507.04
10	Operating Profit after Interest, Depreciation and Amortization	1,734.59	4,088.84	2,606.49
11	Other Income	(158.94)	(45.68)	71.59
12	Net Profit before tax and Prior period expenses	1,575.65	4,043.16	2,678.08
13	Provision for Taxation	-	-	-
	Current tax	31.32	63.98	217.74
	Fringe benefit tax	0.81	2.10	1.94
	Deferred Tax	47.94	44.29	29.86
14	Net Profit after tax and before Prior period expenses	1,495.58	3,932.79	2,428.54
15	Prior period expenses	-	-	134.28
16	Net Profit before Minority Interest	1,495.58	3,932.79	2,294.26
17	Minority Interest	(8.04)	(28.13)	(28.65)
18	Net Profit	1,503.62	3,960.92	2,322.91
19	Paid-up Equity Share Capital (Face value of Rs. 10 each)	1,655.64	1,655.64	1,396.76
20	Reserves excluding revaluation reserves	-	-	-
21	Earnings per share (Equity shares of face value of Rs. 10 each)	-	-	-
	-Basic	9.74	27.56	17.91
	-Diluted	9.48	26.76	17.53
22	Aggregate of Public Shareholding	-	-	-
	-Number of Shares	10,464,730	10,464,730	7,875,918
	-Percentage of Shareholding	63.70	63.70	56.91

- The above mentioned consolidated financial results were approved and taken on record by the Board of Directors at their meeting held on January 27, 2007.
- The Consolidated financial results includes reviewed results (by the respective Auditors) of Axill Inc., USA, Globe7 Inc., USA, Axill Europe Limited, UK, Globe7 HK Limited, HK, the Wholly owned subsidiaries and Northgate Holdings (S) Pte Limited, subsidiary.
- The consolidated quarterly financial results are being prepared and published for the first time, hence corresponding previous year figures are not provided.
- Figures have been re-arranged and re-grouped wherever necessary.

Consolidated Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement

(in Rs. Lakhs)

Sl. No.		(1)	(2)	(3)
		3 Months ended 31.12.2006 (Unaudited)	Year to date figures for Current Period ended 31.12.2006 (Unaudited)	Previous Accounting Year ended 31.03.2006 (Audited)
1	Segment Revenue	-	-	-
	a. Information Technology Services	-	-	3,234.73
	b. Telecommunication	25.83	2,322.41	6,820.52
	c. Online Advertising	8,654.33	18,132.95	4,934.17
	Total	8,680.16	20,455.36	14,989.42
	Less: Inter segment Revenue	(485.28)	(1,200.05)	(4,395.31)
	Net Revenue / Income from Operations	8,194.88	19,255.31	10,594.11
2	Segment Results (Profit/Loss before tax and interest from each segment)	-	-	(666.64)
	a. Information Technology Services	-	-	866.17
	b. Telecommunication	(108.43)	(102.97)	2,705.77
	c. Online Advertising	2,094.54	4,672.35	2,905.30
	Total	1,986.11	4,569.38	2,905.30
	Less:	-	-	-
	i. Interest	0.02	0.05	13.65
	ii. Other un-allocable expenditure net off un-allocable income	410.44	526.17	283.36
	Total profit before tax and after prior period expenses	1,575.65	4,043.16	2,608.29
3	Capital Employed (Segment assets - Segment liabilities)	-	-	-
	a. Information Technology Services	-	-	2,751.78
	b. Telecommunication	954.71	954.71	2,393.50
	c. Online Advertising	13192.22	13192.22	15.13
	Un-allocable Capital Employed	10,267.74	10,267.74	3,457.76
	Total	24,414.67	24,414.67	8,618.17

For and on behalf of the Board

Place: Hyderabad
Date : January 27, 2007.

Venkat S. Meenavalli
Chairman and Managing Director