

NORTHGATE TECHNOLOGIES LIMITED
(Formerly NORTHGATE BPO SERVICES LIMITED)

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2007

(Figures in Rs. Lakhs, except share data)

Sl. No.	Particulars	Consolidated				Standalone				
		9 Months ended 31.12.2006 (Unaudited)	3 Months ended 31.03.2007 (Unaudited)	Year ended		9 Months ended 31.12.2006 (Unaudited)	3 Months ended		Year ended	
				31.03.2007 (Audited)	31.03.2006 (Audited)		31.03.2007 (Unaudited)	31.03.2006 (Unaudited)	31.03.2007 (Audited)	31.03.2006 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Net Revenues	19,255.31	10,202.56	29,457.87	10,594.11	6,429.70	1,627.52	2,614.91	8,057.22	8,191.81
2	Cost of Revenues	13,838.67	7,209.19	21,047.86	6,699.66	1,918.89	367.14	1,320.92	2,286.03	4,844.44
3	Gross Profit	5,416.64	2,993.37	8,410.01	3,894.45	4,510.81	1,260.38	1,293.99	5,771.19	3,347.37
4	Selling and Marketing Expenses	322.28	469.95	792.23	207.08	43.12	5.44	12.90	48.56	33.73
5	General and Administrative Expenses	471.75	1,162.09	1,633.84	542.96	131.70	298.85	191.84	430.55	286.36
6	Miscellaneous Expenditure Written off	8.74	2.92	11.66	11.66	8.74	2.92	2.92	11.66	11.66
7	Operating Profit before Interest, Depreciation and Amortization	4,613.87	1,358.41	5,972.28	3,132.75	4,327.25	953.17	1,086.33	5,280.42	3,015.62
8	Interest	0.05	16.70	16.75	13.65	0.05	1.62	0.32	1.67	11.78
9	Depreciation and Amortization	524.98	158.92	683.90	507.04	146.79	48.98	82.43	195.77	283.83
10	Operating Profit after Interest, Depreciation and Amortization	4,088.84	1,182.79	5,271.63	2,612.06	4,180.41	902.57	1,003.58	5,082.98	2,720.01
11	Other Income	(45.68)	696.30	650.62	66.02	42.28	65.89	12.93	108.17	68.45
12	Net Profit before tax and Prior Period Expenses	4,043.16	1,879.09	5,922.25	2,678.08	4,222.69	968.46	1,016.51	5,191.15	2,788.46
13	Provision for Taxation									
	-Current	63.98	51.23	115.21	217.74	62.14	(14.66)	75.92	47.48	217.74
	-Fringe Benefit	2.10	0.46	2.56	1.94	2.10	0.46	0.52	2.56	1.94
	-Deferred	44.29	56.99	101.28	29.86	44.29	9.21	18.22	53.50	27.91
14	Net Profit before Prior Period Expenses and Minority Interest	3,932.79	1,770.41	5,703.20	2,428.54	4,114.16	973.45	921.85	5,087.61	2,540.87
15	Prior period expenses	-	-	-	134.28	-	-	60.24	-	126.69
16	Net Profit before Minority Interest	3,932.79	1,770.41	5,703.20	2,294.26	4,114.16	973.45	861.61	5,087.61	2,414.18
17	Minority Interest	(38.28)	-	(38.28)	(28.65)	-	-	-	-	-
18	Net Profit	3,971.07	1,770.41	5,741.48	2,322.91	4,114.16	973.45	861.61	5,087.61	2,414.18
19	Paid-up Equity Share Capital (Face value of Rs.10 each)	1,655.64	1,663.89	1,663.89	1,396.76	1,655.64	1,663.89	1,396.76	1,663.89	1,396.76
20	Reserves excluding Revaluation Reserves	-	-	24,694.22	7,221.41	-	-	-	24,210.85	7,293.92
21	Earnings per share (Equity shares of face value of Rs.10 each)									
	-Basic	27.63	10.73	38.54	17.91	28.62	5.90	6.64	34.15	18.61
	-Diluted	26.83	10.43	37.40	17.53	27.79	5.73	6.50	33.14	18.21
22	Aggregate of Public Shareholding									
	-Number of Shares	10,464,730	10,547,230	10,547,230	7,875,918	10,464,730	10,547,230	7,875,918	10,547,230	7,875,918
	-Percentage of Shareholding	63.70	63.88	63.88	56.91	63.70	63.88	56.91	63.88	56.91

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

(Figures in Rs. Lakhs)

Sl. No.	Particulars	Consolidated				Standalone				
		9 Months ended 31.12.2006 (Unaudited)	3 Months ended 31.03.2007 (Unaudited)	Year ended		9 Months ended 31.12.2006 (Unaudited)	3 Months ended		Year ended	
				31.03.2007 (Audited)	31.03.2006 (Audited)		31.03.2007 (Unaudited)	31.03.2006 (Unaudited)	31.03.2007 (Audited)	31.03.2006 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Segment Revenue									
	a. Online Advertising	18,132.95	10,168.86	28,301.81	4,934.17	-	-	-	-	-
	b. Telecommunication	2,322.41	38.59	2,361.00	6,820.52	1,688.58	-	1,408.08	1,688.58	5,299.48
	c. Information Technology Services	4,766.64	1,627.58	6,394.22	3,234.73	4,741.12	1,627.52	1,206.83	6,368.64	2,892.33
	Total	25,222.00	11,835.03	37,057.03	14,989.42	6,429.70	1,627.52	2,614.91	8,057.22	8,191.81
	Less: Inter Segment Revenues	(5,966.69)	(1,632.47)	(7,599.16)	(4,395.31)	-	-	-	-	-
	Net Revenues	19,255.31	10,202.56	29,457.87	10,594.11	6,429.70	1,627.52	2,614.91	8,057.22	8,191.81
2	Segment Results									
	(Profit/(Loss) before tax and interest from each segment)									
	a. Online Advertising	4,672.35	2,982.97	7,655.32	2,039.13	-	-	-	-	-
	b. Telecommunication	(102.97)	(701.52)	(804.49)	866.17	37.80	(316.60)	36.26	(278.80)	570.31
	c. Information Technology Services	-	-	-	-	4,266.22	1,469.90	960.75	5,736.12	2,383.67
	Total	4,569.38	2,281.45	6,850.83	2,905.30	4,304.02	1,153.30	997.01	5,457.32	2,953.98
	Less:									
	i. Interest	0.05	16.70	16.75	13.65	0.05	1.63	1.49	1.68	11.78
	ii. Other un-allocable expenditure net off un-allocable income	526.17	385.66	911.83	283.36	81.28	183.21	(42.23)	264.49	215.94
	Total profit before tax and after prior period expenses	4,043.16	1,879.09	5,922.25	2,608.29	4,222.69	968.46	956.27	5,191.15	2,726.26
3	Capital Employed									
	(Segment assets - Segment liabilities)									
	a. Online Advertising	12,892.61	15,793.38	15,793.38	15.13	-	-	-	-	-
	b. Telecommunication	954.71	397.36	397.36	2,393.50	515.57	399.68	2,445.19	399.68	576.05
	c. Information Technology Services	299.61	1,048.75	1,048.75	2,751.78	4,852.98	4,470.70	3,064.89	4,470.70	1,592.11
	Un-allocable Capital Employed	10,267.74	9,118.62	9,118.62	3,457.76	19,359.49	21,004.36	3,180.60	21,004.36	6,522.52
	Total Capital Employed	24,414.67	26,358.11	26,358.11	8,618.17	24,728.04	25,874.74	8,690.68	25,874.74	8,690.68

Notes:

- The above mentioned audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 28, 2007.
- The Consolidated financial results includes Audited results of Axill Inc, USA, Globe7 Inc., USA, Axill Europe Limited, UK, Globe7 HK Limited, HK, the Wholly Owned Subsidiaries and financial results for the nine months period ended December 31, 2006 of Northgate Holdings (S) Pte.Limited, Singapore, the Subsidiary.
- The Board of Directors has recommended final equity dividend of Rs. 4 per share (40% on the nominal value of Rs.10 per share). The total amount of final equity dividend recommended aggregates to Rs. 660.57 Lakhs excluding tax on distributed profits.
- The Board of the Directors of the Company has recommended issue of bonus shares in the proportion of 1:1 (one equity share for every one equity share held) for all existing shares. The record date for issue of bonus shares will be fixed upon obtaining approval of Members of the Company in the ensuing Annual General Meeting.
- The disposal of investment in Northgate Holdings (S) Pte. Limited was effected during the quarter and resultant gain of Rs. 16.81 Lakhs and Rs. 122.84 Lakhs respectively has been included in Other Income of standalone and consolidated financial results.
- The equity shares of the Company are listed and traded on The National Stock Exchange of India Limited (NSE) with effect from April 03, 2007.
- During the quarter 82,500 equity shares of Rs.10 each has been allotted to the employees of the Company under Employee Stock Option Plan 2004 and 2005.
- Details of staff cost and other expenditure exceeding 10% of the total expenditure are as follows:

(Figures in Rs. Lakhs)

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				31.03.2007 (Audited)	31.03.2006 (Audited)		31.03.2007 (Unaudited)	31.03.2006 (Unaudited)	31.03.2007 (Audited)	31.03.2006 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
i.	Staff Cost	543.32	251.27	794.59	188.54	300.04	110.68	9.92	410.72	176.23
ii.	Cost of Telecom Minutes	1,918.93	655.99	2,574.92	4,440.62	1,573.66	248.17	950.03	1,821.83	4,505.82
iii.	Traffic Acquisition Cost	10,952.46	6,250.12	17,202.58	1,484.56	-	-	-	-	-

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

(Figures in Rs. Lakhs)

Funds raised on preferential allotment of Equity shares	12,168.75
Un-utilized funds as on January 01, 2007	441.34
Utilization of funds during the quarter ended March 31, 2007	Nil
Funds Un-utilized as on March 31, 2007	441.34

- The consolidated quarter wise results are being prepared and published for the first time, hence corresponding previous quarter figures are not provided.
- There were no Investor complaints pending at the beginning of the quarter. During the quarter the Company received 5 complaints and resolved all the complaints. There is no Investor complaint pending at the end of the quarter.
- Figures of previous periods, wherever necessary, have been regrouped and rearranged.

Highlights

178% increase in consolidated revenues and 147% increase in consolidated annual net profits in comparison with previous year.
 Globe7 Internet Phone is ranked world's # 1 Internet Phone since March 2006. (Source: www.myvoipprovider.com).
 Globe7 application currently has more than 3 million users across 180 countries.
 Globe7 application presently generates over 2 billion impressions per month.
 Axill Europe Limited, a UK based wholly owned subsidiary launched www.bharatstudent.com, for worldwide Indian student community, in March 2007. Within two months of launch Bharatstudent.com is ranked 52 among Top 100 Indian websites and has more than 7 Lakhs registered users. (Source: www.alexa.com)
 Bharatstudent.com is currently generating 30 million plus page views and 4 million plus video views per month.
 Globe7 HK Limited has launched Wireless Internet Phone and Memory Storage Phone in April, 2007.

for and on behalf of the Board

Place: Hyderabad
 Date: May 28, 2007.

Venkat S Meenavalli
 Chairman and Managing D