

Northgate Technologies Ltd

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SDE Serene Chambers, 1st Floor, Western Wing, Banjara Hills, Road No: 5, Hyderabad - 500 034

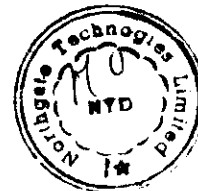
A. Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2010

Amount/Rs. in Lakhs except EPS and Shareholding

Sl. No	Particulars	For the quarter ended		For nine months ended		For the year ended
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
		(Unaudited)				(Audited)
	(1)	(2)	(3)	(4)	(5)	
1	Revenues	2,527.94	2,133.92	4,750.91	4,621.71	7,446.34
2	Cost of Revenues	2,013.50	2,396.00	3,937.02	4,794.27	8,410.86
3	Gross Profit / (Loss)	514.44	(262.08)	813.89	(172.56)	(964.52)
4	Selling and Marketing expenses	47.69	262.90	84.53	2,478.84	2,205.49
5	General and Administrative expenses	217.36	186.57	461.15	640.36	1,090.81
6	Bad and doubtful debts written off/ provided for	85.75	-	131.12	2,042.99	2,025.26
7	Advances written off	-	-	-	36.73	75.44
8	Fixed Assets discarded, net/ written off	-	6,136.99	0.47	6,218.92	6,218.92
9	Operating Profit/(Loss) before Interest, Depreciation and Amortization	163.64	(6,848.54)	136.62	(11,590.40)	(12,580.44)
10	Depreciation and amortization	106.68	967.41	288.02	2,817.75	2,940.83
11	Operating Profit/(Loss) before Interest	56.96	(7,815.95)	(151.40)	(14,408.15)	(15,521.27)
12	Interest	30.91	0.69	58.33	19.74	24.38
13	Operating Profit/(Loss) after Interest	26.05	(7,816.64)	(209.73)	(14,427.89)	(15,545.65)
14	Exceptional item	16.32	-	16.32	-	-
15	Other income	42.02	103.16	164.76	401.15	1,192.18
16	Profit/(loss) before tax	84.39	(7,713.48)	(28.65)	(14,026.74)	(14,353.47)
17	Provision for taxation	-	-	-	-	-
	- Current	-	243.91	-	183.83	278.56
	- Deferred	-	-	-	-	-
18	Net Profit / (Loss) after tax and before Prior period expenses and Minority Interest	84.39	(7,957.39)	(28.65)	(14,210.57)	(14,632.03)
19	Prior Period Expenses	-	-	-	-	66.41
20	Net Profit / (Loss) after tax and Prior period expenses and before Minority Interest	84.39	(7,957.39)	(28.65)	(14,210.57)	(14,698.44)
21	Minority Interest	(3.58)	-	(3.40)	-	-
22	Net Profit / (Loss)	80.81	(7,957.39)	(32.05)	(14,210.57)	(14,698.44)
23	Paid-up Equity Share Capital (Face value of Rs.10 each)	4,914.71	3,514.71	4,914.71	3,514.71	3,514.71
24	Reserves excluding Revaluation Reserve	-	-	-	-	28,338.02
25	Debit balance in profit and loss account	-	-	-	-	(30,103.88)
26	Earnings Per Share (EPS) (Equity shares of face value of Rs.10 each)	-	-	-	-	-
	- Basic	0.19	(22.72)	(0.09)	(40.58)	(41.71)
	- Diluted	0.19	(22.72)	(0.09)	(40.58)	(41.71)
27	Public Shareholding	-	-	-	-	-
	- Number of shares	38,378,474	24,069,808	38,378,474	24,069,808	24,069,808
	- Percentage of shareholding	78.29	68.73	78.29	68.73	68.73
28	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	10,640,116	10,948,782	10,640,116	10,948,782	10,948,782
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	21.71	31.27	21.71	31.27	31.27

Notes to the consolidated financial results:

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 9, 2011.
- The Group raised an amount of Rs 2,870 lakhs by issuance of 14,000,000 equity shares of Rs 10 each at a premium of Rs.10.50 per share through Qualified Institutional Placement (QIP)
- The operating profit for the quarter ended December 31, 2010 is Rs 26.05 lakhs and operating loss for the nine months period ended December 31, 2010 is Rs (209.73) lakhs as compared to operating loss for the quarter and nine months period ended December 31, 2009 of Rs. (7,816.64) lakhs and Rs (14,427.89) lakhs respectively. Management believes that the operations will continue to generate cash flows sufficient to meet its liabilities as and when they fall due. Hence, the Group believes that the going concern assumption is valid and accordingly these financial results have therefore been prepared on a going concern basis.
- Pursuant to the Share Sale Agreement dated November 11, 2010 for sale of 100% equity share of VAR Quant Tech Securities Private Limited, the Derivatives and Securities Trading has been discontinued and the gain on sale of the subsidiary of Rs 16.32 lakhs has been recorded under exceptional item.
- During the quarter ended December 31, 2010 no Investor complaint was received. No investor complaints were pending either at the beginning or at the end of the quarter.



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

Sl. No	Particulars	For the quarter ended		For nine months ended		For the year ended
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
		(Unaudited)				(Audited)
	(1)	(2)	(3)	(4)	(5)	
i.	Staff cost (included under various heads)	133.05	219.28	440.58	785.82	1,051.83
ii.	Traffic acquisition cost (included under Cost of Revenues)	740.01	227.30	2,037.28	1,699.00	2,682.96
iii.	Advertisement and business promotion expenses (included under Selling and Marketing Expenses)	-	219.87	-	2,279.44	-
iv.	Cost of Commodities (included under Cost of Revenues)	1,127.08	-	1,358.75	-	-
v.	Cost of Securities (included under Cost of Revenues)	-	1,810.68	51.50	1,810.68	4,142.99

7 Segment reporting:

Sl. No	Particulars	For the quarter ended		For nine months ended		For the year ended
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
		(Unaudited)				(Audited)
	(1)	(2)	(3)	(4)	(5)	
1	Segment Revenue					
	a. Online Advertising	1,378.60	323.27	3,318.30	2,811.06	3,305.94
	b. Derivative and securities trading	-	1,810.65	50.95	1,810.65	4,140.40
	c. Commodities trading	1,149.34	-	1,381.66	-	-
	Total	2,527.94	2,133.92	4,750.91	4,621.71	7,446.34
	Less: Inter Segment Revenues	-	-	-	-	-
	Net Revenues	2,527.94	2,133.92	4,750.91	4,621.71	7,446.34
2	Segment Results					
	(Profit/(Loss) before tax and interest from each segment)					
	a. Online Advertising	108.25	(7,702.66)	23.61	(13,996.88)	(14,313.63)
	b. Derivative and securities trading	(0.26)	(10.13)	(0.86)	(10.13)	(15.46)
	c. Commodities trading	7.31	-	6.93	-	-
	Total	115.30	(7,712.79)	29.68	(14,007.01)	(14,329.09)
	Less:					
	i. Interest	(30.91)	(0.69)	(58.33)	(19.73)	(24.38)
	ii. Other un-allocable expenditure net off un-allocable income	-	-	-	-	-
	Operating Profit before Tax	84.39	(7,713.48)	(28.65)	(14,026.74)	(14,353.47)
3	Capital Employed					
	(Segment assets - Segment liabilities)					
	a. Online Advertising	3,662.18	1,894.94	3,662.18	1,894.94	1,754.31
	b. Derivative and securities trading	-	69.87	-	69.87	(5.46)
	c. Commodities trading	16.34	-	16.34	-	-
	Total Capital Employed	3,678.52	1,964.81	3,678.52	1,964.81	1,748.85

8 Details of Standalone financial results as per Clause 41 of the Listing agreement :

Sl. No.	Particulars	For the quarter ended		For nine months ended		For the year ended
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
		(Unaudited)				(Audited)
	(1)	(2)	(3)	(4)	(5)	
1	Revenues	98.54	168.67	357.62	607.51	7,446.34
2	Profit/(loss) before tax	31.40	(34.50)	(79.55)	(140.48)	(14,353.47)
3	Net Profit / (loss) for the period	31.40	(34.50)	(79.55)	(141.04)	(14,353.47)

9 Previous period figures have been regrouped, rearranged, restated and reclassified where ever necessary, for the purpose of comparison.



Place: Hyderabad
Date: February 10, 2011

for and on behalf of the Board
Venkat S. Meenavalli
Venkat S. Meenavalli
Chairman and Managing Director