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NORTHGATE COM TECH LIMITED

2nd
Annual Report
2011-12

Northgate Com Tech Limited

The Board of Directors

Mr. Venkat S Meenavalli	-	Director
Mr. P.Srinivasu	-	Executive Director
Mr. P. Parthasarathi	-	Non-Executive Independent Director
Mr. T. Naresh Kumar	-	Non Executive Independent Director
Mr. Y. Ramesh	-	Non Executive Independent Director
Ms Vijayashree K Officer	-	Company Secretary & Compliance

Registered office:

SDE Serene Chambers,
8-2-334, 1st Floor, South Eastern Wing,
Road No.7, Banjara Hills, Hyderabad 500034
Andhra Pradesh, India
Tel: +91-40-23544625/26/27
Fax:+91-40-23544628
URL: www.northgatetech.com

Auditors

B S R & Associates
Chartered Accountants

Bankers:

HDFC Bank Limited
Bank of Baroda

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2nd Annual General Meeting of the Members of Northgate Com Tech Limited will be held on **Monday the 31st day of December 2012 at 3.30 p.m. at Kalinga Cultural Trust, Plot No. 1269, Road No.12, Banjara Hills, Hyderabad 500 034** to transact the following Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the audited Profit and Loss Account for the year ended as on that date together with the Report of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Mr Venkat S Meenavalli, Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr P Parthasarthi, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s B S R & Associates, Chartered Accountants, Hyderabad be and are hereby re-appointed as Statutory Auditors of the company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration as may mutually be decided by the Board of Director in negotiation with the said M/s B S R & Associates, Chartered Accountants."

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr T Naresh Kumar, who was appointed as Additional Director during the year be and is hereby appointed as a Director of the Company, liable to retire by rotation".

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr Y Ramesh, who was appointed as Additional Director during the year be and is hereby appointed as a Director of the Company, liable to retire by rotation".

7. **To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.**

'RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309,310,311 read with Schedule XIII to the Act, and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification, amendment or re-enactment thereof) and subject to such approvals as may be necessary, the consent, permission, and approval of the members of the company be and is hereby accorded to the

appointment of Mr P Srinivasu, as Executive Director of the Company, for a period of three years with effect from July 16, 2012 to discharges the functions, duties, responsibilities delegated by the Board of Directors from time to time and such other acts as may be required as per applicable Laws, Act, Regulations, at a remuneration of Rs 2,00,000/- Per Month (Rupees Two Lakhs only) inclusive of all the Perquisites and Allowances."

"RESOLVED FURTHER THAT notwithstanding anything here in above stated where in any financial year during the tenure as a Director-Operations, the Company has no profits or its profits are inadequate, Mr P Srinivasu shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as prescribed under Para 1 of Section II, Part II of Schedule XIII to the Companies, Act as may be recodified.

By Order of the Board

Vijayashree K
Company Secretary

Place: Hyderabad
Date: December 3, 2012

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a Proxy (whether member or not) to attend and vote instead of him or her. A proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person if he or she so wishes.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
3. Members / Proxies should bring the attendance slips filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from December 27, 2012 to December 31, 2012, inclusive of both dates.
5. Members desiring any information on financial statements are requested to inform to the Company at least seven days before the date of the meeting to keep the information available at the meeting.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure,

members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with their respective Depository Participants. Members who hold shares in physical form are requested to forward the required details (email id) to the Registrar and Share Transfer Agent, M/s. CIL Securities Limited, Hyderabad.

7. Accordingly the Company will be sending Notices/Documents/Annual Reports etc., to the members in future through email, wherever the email id is available and through other modes of services provided in Section 53 of the Companies Act, 1956 where

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 are as follows:

Item No.5&6:

Mr T Naresh Kumar and Mr Y Ramesh were appointed as Additional Directors of the company in the Board Meeting held on July 16, 2012. As per provisions of Section 260 of the Companies Act, 1956, he holds office only up to the date of the ensuing Annual General Meeting of the company and is eligible for re-appointment.

Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice from the member along with the requisite deposit signifying his intention to propose the appointment of Mr T Naresh Kumar and Mr Y Ramesh as Directors of the company liable to retire by rotation.

Your Directors recommend the resolution for your approval.

Except Mr T Naresh Kumar and Mr Y Ramesh, none of the Directors of the Company is in any way concerned or interested in the resolution.

Item No.7:

Mr P Srinivasu was appointed as Executive Director of the company in the Board Meeting held on July 16, 2012 as per the applicable provisions of the Schedule XIII and other if any of the companies act 1956 subject to the approval of the members of the company next general meeting of the company.

Pursuant to applicable provisions of the Companies Act, 1956, this business item has been placed before this meeting for the consent of the company.

Your Directors recommend the resolution for your approval.

Except Mr P Srinivasu, none of the Directors of the Company is in any way concerned or interested in the resolution.

By order of the Board

Vijayashree K
Company Secretary

Place : Hyderabad
Date : December 03, 2012

DIRECTORS' REPORT

Dear Members,

The Board of Directors take pleasure in presenting their report for the financial year ended March 31, 2012.

Financial Highlights:

Particulars	Year ended	Year ended
	2012	2011
	Rs.	Rs.
Revenue		
Income from operations	305.63	
Other income	28.30	
Total revenue	333.93	-
Expenses		
Operating expenses	204.56	
Employee benefits expense	125.83	
Finance costs	83.17	
Depreciation and amortisation expense	34.25	
Provision for diminution in value of long term investment	6,441.10	
Total expenses	6,888.91	-
Loss before tax	(6,554.98)	-
Tax expense		
- Current tax	-	-
- Deferred tax	-	-
Loss for the year	(6,555)	-
Earnings per share - par value ₹ 10 per share		
Basic *	(13,109.95)	
Diluted *	(13,109.95)	

*Pending allotment of equity shares pursuant to the Approved Scheme, the numbers of equity shares aggregating 49,015,590 have not been considered for computing the basic earnings per share. As the Company incurred a net loss for the year ended 31 March 2012. The same were not considered for computation of dilutive earning per share, as their effect was anti dilutive.

During the financial year (FY) under review, the Company achieved revenues of Rs 305.63 Lakhs. The Company has started its operations during the year 2011-12 Hence there are no comparative figures to analyse the financial performance of the Company

Dividend

No Dividend for the FY 2011-12 was recommended by the Board of Directors.

Directors

During the year under review in the Board Meeting held on July 16, 2012 the Board has appointed Mr Palacharla Srinivasu as Executive Director of the Company and co-opted Mr Tarimela Naresh Kumar and Mr Yarlagadda Ramesh as Additional Directors of the Company, who shall hold office up to the date of ensuing Annual General Meeting. The Board in the best interest of the Company recommends their appointment as Directors, liable to retire by rotation. The requisite notice along with the prescribed fee has been received from the members under Section 257 of the Companies Act, 1956 proposing the candidature(s) of Mr Tarimela Naresh Kumar and Mr Yarlagadda Ramesh as Directors liable to retire by rotation.

Mr Prattipati Parthasarathi and Mr Vekat S Meenavalli, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Composite scheme of Arrangement and Amalgamation

Pursuant to a Composite Scheme of Arrangement and Amalgamation between Northgate Technologies Limited, Northgate Com Tech Limited, Green Fire Agri Commodities Private Limited, their respective Shareholders and Creditors which was approved by the Honorable High Court of Andhra Pradesh on 28

March 2012, the entire Business Undertaking of Northgate Technologies Limited demerged into Northgate Com Tech Limited and entire business undertaking of Green Fire Agri Commodities Private Limited was merged with Northgate Technologies Limited.

The financial statements of the Company for financial year 2011-12 have been prepared giving effect to the Approved Scheme after making suitable adjustments to align the accounting methods and policies.

Fixed deposits

The Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

Auditors

M/s B S R & Associates, Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, who have been appointed in the Extra Ordinary General Meeting held on November 21, 2011 due to resignation of existing Statutory Auditors G P Rao & Co, Chartered Accountants, Hyderabad to hold Office from the conclusion of that Extra Ordinary General Meeting till the conclusion of next Annual General Meeting, shall retire at the conclusion of the ensuing Annual General Meeting and intends to seek re-election at the ensuing Annual General Meeting.

Listing

Pursuant Composite Scheme of Arrangement and Amalgamation as stated above, the Shares of the Company will be listed on NSE. The necessary requirements are being complied with. The Company shares are expected to be listed shortly.

Employee Particulars

None of the employees are in receipt of the remuneration as set out under Section 217(2A) of the Companies Act, 1956 and

as such the statement as required under Section 217(2A) of the Companies Act, 1956, is not applicable.

Director's Responsibility statement

We the Directors of Northgate Com Tech Limited, confirm the following:

- (i) that in the preparation of the annual accounts, applicable accounting standards had been followed along with the proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure 'A' forming part of this report.

Acknowledgements

Your Directors thank all the members, investors, business associates, service providers, banks, customers and regulatory and Governmental authorities for their continued support. Your Directors place on record their appreciation of the contributions made by every employee of the Company.

For and on behalf of the Board

Venkat S Meenavalli
Chairman

Place: Hyderabad
Date: December 03, 2012

ANNEXURE - A

- A. Conservation of Energy: the Company uses electric energy for its operations such as air conditioner, computer terminals, lighting and utilities in the work premises. All possible measures have been taken to conserve the energy.
- B. Research and Development: Your Company has a modern R&D facility with a state-of-the-art technology centre working on various R&D project.
- C. Technology Absorption, Adaptation and Innovation: Your Company continues to use state-of-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, the company continues to invest in the latest hardware and software. Foreign exchange earnings and outgo
- D. Particulars Foreign exchange earnings Foreign exchange outgo

Particulars	For the year ended	
	31 March 2012	31 March 2011
Foreign Exchange Earning	30,562,875	-
Foreign Exchange Outgo	90,938	-

For and on behalf of the Board

Venkat S Meenavalli
Chairman

Place: Hyderabad
Date: December 03, 2012

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Philosophy of the Company on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations and in its interaction with its stakeholders including the members, shareholders, employees, the Government and other regulatory authorities. The Company is committed to achieving the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing the overall shareholders value, on a continuous basis.

2. BOARD OF DIRECTORS

The Board of Directors of the Company currently consists of Five Directors. The Company has an Non-Executive Chairman. The Executive Director manages the day-to-day affairs of the Company. The Board has an optimum combination of Executive and Non-Executive Directors.

Composition and Category of Directors:

Category	No. of Directors
Promoter Directors	1
Non-Executive Non Independent Directors	1
Non-Executive Independent Directors	3
Total	5

*The composition and categorization is given after considering the appointments made in board meeting held on July 16, 2012

The composition of the Board is in conformity with clause 49 of the Listing Agreement entered with the Stock Exchanges.

Attendance of each director at the Board meetings held during the year 2011-12 and at the last Annual General Meeting

Sl. No	Name and Designation of the Director	Board Meetings held during the year	Board Meetings Attended during the year	Attendance at Last AGM(Yes/No)
1.	Venkata Srinivas Meenavalli Promoter Non-Executive Chairman	6	6	Yes
2.	Srinivasu Palacharla Executive and Non-Independent Director	6	6	Yes
3.	P. Parthasarathi Non-executive and Independent Director	6	6	Yes
4.	T. Naresh Kumar* Non-executive and Independent Director	6	0	No
5.	Y. Ramesh* Non-executive and Independent Director	6	0	No

*Appointed as Additional Directors of the Company effective from July 16, 2012

- c. No. of other Boards/Board Committees in which the Directors are either Member or Chairman as at March 31, 2012.

Name of the Director	Board@		Committee	
	Chairman	Member	Chairman	Member
Venkat Srinivas Meenavalli	7	Nil	Nil	Nil
P Srinivasu	1	1	Nil	Nil
P Parthasarathi	Nil	4	3	Nil
T Naresh Kumar	Nil	3	Nil	3
Y Ramesh	Nil	3	3	3

The above status is excluding foreign companies and private companies

- d. No. of Board Meetings held and dates on which they were held during the year 2011-12

Quarter	No. of Meetings	Dates on which held
April June 2011	2	April 01, 2011 & May 19, 2011
July September 2011	2	August 2, 2011 & September 2, 2011
October December 2011	1	December 5, 2011
January March 2012	1	March 10, 2012
Total	6	--

3. Audit Committee

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and as per the provisions of Clause 49 of the Listing Agreement. The Audit Committee consists of Independent Directors and provides assistance to the Board of Directors in fulfilling its overall responsibilities. The Company Secretary of the Company act as Secretary of the Committee.

Brief description of terms of reference

The terms of reference of the Audit Committee include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- e. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
- f. Changes, if any, in accounting policies and practices and reasons for the same;
- g. Major accounting entries involving estimates based on the exercise of judgment by management;
- h. Significant adjustments made in the financial statements arising out of audit findings;
- i. Compliance with listing and other legal requirements relating to financial statements;
- j. Disclosure of any related party transactions;
- k. Qualifications in the draft audit report. Review, with the management, the quarterly financial statements before submission to the board for approval;
- l. Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- m. Discussion with internal auditors any significant findings and follow up there on;
- n. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- o. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- p. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- q. Review the functioning of the Whistle Blower mechanism, in case the same is existing;
- r. Carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation: The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Composition, name of members and Chairperson

The Composition of the Audit Committee is as follows:

1. Mr. P. Parthasarathi	Chairman
2. Mr. T. Naresh Kumar	Member
3. Mr. Y. Ramesh	Member

Meetings and attendance during the year

The Audit committee of the company has been constituted with effect from July 16, 2012. Hence there have been no meetings during the year 2011-12

4. COMPENSATION / REMUNERATION COMMITTEE

(a) Brief description of terms of reference;

The terms of reference of the Compensation Committee, inter alia include determination of compensation package of Executive Directors and Senior Management of the Company and to frame policies and procedures for Employee Stock Option plans approved by the members of the company.

(b) Composition, name of members and Chairperson:

The Composition of Remuneration Committee is as follows:

Name of the Director

Mr P Parthasarathi	Chairman
Mr Y Ramesh	Member
Mr T Naresh Kumar	Member

(c) Meetings and Attendance during the year

The Audit committee of the company has been constituted with effect from July 16, 2012. Hence there has been no meetings during the year 2011-12

(d) Remuneration policy

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive/ Non executive Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards. The same is subject to the approval of the Remuneration Committee of the Board of Directors and the members.

(e) Details of Remuneration to Directors

The Non-Executive Directors has not been paid any remuneration except sitting fees for attending the Board Meetings. The details of remuneration paid to Executive Director during the Financial Year 2011-12 are not applicable since there has been no executive directors during the year 2011-12

5. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE:

The shareholders/investors grievances committee of the company has been constituted with effect from July 16, 2012. Hence there have been no meetings during the year 2011-12

The Investors' Grievance Committee focuses on shareholders' grievances and strengthening of investor relations. The functions of the committee include the

redressal of shareholders/investor complaints/grievances pertaining to transfers/transmissions of shares, dividend, and dematerialization of shares, replacement of lost/stolen/mutilated share certificates and other related issues. There are no complaints pending as on the date of this report.

The Committee comprised of Mr P Parthasarathi, T Naresh Kumar and Y Ramesh as Members.

The details of investor's complaints received and resolved during the financial year 2011-12 is as under.

No. of Investor's Complaints received during the financial year 2011-12	No. of Investor's Complaints resolved during the financial year 2011-12	Investor Complaints pending at the end of financial year 2011-12
Nil	Nil	Nil

6. General Body Meeting

(a) Details of date, time and venue of the last three Annual General Meetings of the Company

Financial year ended	Date	Venue	Time	No. of Special Resolutions
March 31, 2011	30.09.2011	SDE Serene Chambers, Road No-7, Banjara Hills, Hyderabad-500034	10.00AM	Nil

Since the company was incorporated in 2010 there has been only one annual general meeting in the past

(b) Details date, time and venue of the last Extra Ordinary General Meetings of the Company:

Date	Venue	Time	No. of Special Resolutions
15.06.2011	SDE Serene Chambers, Road No-7, Banjara Hills, Hyderabad-500034	10.00AM	1
21.11.2011	SDE Serene Chambers, Road No-7, Banjara Hills, Hyderabad-500034	10.00AM	1

(c) Details of Special Resolutions passed at the last Annual General Meeting of the Company : Nil

7. DISCLOSURES

The summary of the materially significant relating party transactions is given in the Notes to the Accounts appearing in this Annual Report. However, none of the related party transactions have potential conflict with the interests of the Company at large, as all the transactions were entered into on an arms-length basis.

8. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting Date : 31 December 2012

Time : 3.30 PM

Venue : Kalinga Cultural Trust, Plot No.1269, Road No.12,Banjara Hills, Hyderabad-500034

(b) Financial Year : 1 April to 31 March

(c) Date of Book Closure : From December 27, 2012 to December 31, 2012 (inclusive of both days)

(d) Listing on Stock Exchange : Company Shares are proposed to be listed on The National Stock Exchange of India Limited (NSE)

Registrar and Transfer Agent:

M/s. CIL Securities Ltd
214, Raghava Ratna Towers, Chirag Ali Lane,
Hyderabad-500 001.
Phone: 91-40 2320 2465, 2320 3155 Fax: 91-40 2320 3028
Email: cilsec@hotmail.com

Share Transfer System:

Share transfers are registered and returned within a period of fifteen days from the date of receipt, if the documents are in order in all respects.

Distribution of shareholding:

Category	Number of Members	(%) of Total Members	Number of Equity Shares	(%) of Total Shareholding
0-5000	13487	70.84	24969550	5.09
5001-10000	2455	12.89	21107910	4.31
10001-20000	1357	7.13	21510870	4.39
20001-30000	532	2.79	13871330	2.83
30001-40000	262	1.38	9603990	1.96
40001-50000	242	1.27	11647030	2.38
50001-100000	345	1.81	25693930	5.24
100001-above	360	1.89	361781290	73.80
Total	19040	100.00	490185900	100.00

Dematerialization of shares and Liquidity:

As on November 30, 2012, 99.95% of the paid up equity capital of the Company is in dematerialized form. Once listed on NSE the trading of Equity shares on the Stock Exchanges will be under compulsory dematerialization. The ISIN of the scrip is INE970N01019.

Address for correspondence:

Ms Vijayashree K

Company Secretary and Compliance Officer

SDE Serene Chambers, 8-2-334

1st Floor, South Estern Wing, Road No.7, Banjara Hills,

Hyderabad-500034

Phone: 91-40-23548353

Fax: 91-40-23548537

Email: cs@northgatetech.com

Website: www.northgatetech.com

10. Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management of the company. The code of conduct is available on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Executive Director (ED) has signed a declaration to this effect, which is enclosed at the end of this report.

11. Management Discussion and Analysis

The Company started its operation during this year 2011-12 only. Hence there is no comparisons to analyse the performance of the Company.

Declaration by Executive Director of the Company on Code of Conduct

I hereby declare that:

1. Code of Conduct for the Board Members and Senior Management of the Company was approved by the Board of Directors in the Board Meeting held on July 16, 2012 and the same was adopted by the Company.
2. Code of Conduct adopted by the Company was circulated to the Members of the Board and Senior Management of the Company and also posted in the website of the Company
3. All the Members of the Board and Senior Management of the Company have complied with all the provisions of the Code of Conduct

For Northgate Com Tech Limited

Place: Hyderabad
Date: December 03, 2012

Palacharla Srinivasu
Executive Director

CEO Certificate

I, Palacharla Srinivasu, Executive Director of Northgate Com Tech Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
 - a) Significant changes in internal controls over financial reporting during the year;
 - b) Significant changes in the accounting policies during the year;
 - c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

Palacharla Srinivasu
Executive Director

Date: December 03, 2012
Place: Hyderabad

AUDITORS' REPORT TO THE MEMBERS OF NORTHGATE COM TECH LIMITED

1. We have audited the attached balance sheet of Northgate Com Tech Limited ("the Company") as at 31 March 2012, the statement of profit and loss and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Ministry of Corporate Affairs in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. *As more fully explained in Note 2.35 to the financial statements, during the year ended 31 March 2012, the Company has paid Managerial Remuneration of `6,000,000 which is in excess of the maximum limits specified in Schedule XIII to the Companies Act, 1956 of `1,800,000. Further, as required under Schedule XIII an approval from the Central Government has not been obtained.*
5. Without qualifying our opinion, we draw attention to Note 2.21 of the accompanying financial statements which sets out the basis on which management believes that the going concern assumption is appropriate, notwithstanding the complete erosion of net-worth and substantial write-down in the value of long-term investments, which was considered necessary consequent to the revised business plans on restructuring of operations post demerger and the current market conditions. Management believes that the carrying value of the investments post write down is reasonable considering the fact that the scale down operations will enable the Company to generate cash-flows sufficient to meet its liabilities as and when they fall due;
6. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have

- been kept by the Company so far as appears from our examination of those books;
 - (iii) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on 31 March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and , *subject to our comments in Paragraph 4 above*, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2012;
 - b. in the case of the statement of profit and loss, of the loss for the year ended on that date; and
 - c. in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

for B S R & Associates
Chartered Accountants
Firm Registration No: 116231W

Sriram Mahalingam
Partner
Membership No: 049642
Place: Hyderabad
Date: 30 November 2012

ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in paragraph 3 of our Report of even date to the Members of Northgate Com Tech Limited ("the Company") for the year ended 31 March 2012. We report that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to size of the Company and nature of its assets. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noted on such verification.
- (c) Fixed assets disposed off/written off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) The Company is a service company, primarily rendering Information Technology services. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
- (iii) (a) *The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (a) to (d)*

of the order are not applicable.

- (e) According to the information and explanations given to us, the Company has taken loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ` 109,090,257 and the year-end balance of such loans was ` 105,098,571. The Company has not taken any loans, secured or unsecured from firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (f) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from the party listed in the register maintained under Section 301 of the Companies Act, 1956 is not, prima facie, prejudicial to the interest of the Company. The repayment of the principle is due after 31 March 2013, the date for which needs to be decided.
- (g) In the case of loan taken from the party listed in the register maintained under Section 301, in repayment of the principal amounts and the interest there on is not due, accordingly, clause 4(iii) (g) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain services sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate

internal control system commensurate with regard to the size of the Company and the nature of its business with regard to the sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

- (v) *In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.*
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company. The activities of the Company do not involve sale of goods.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax and other material statutory dues

have generally been regularly deposited during the year by the Company with the appropriate authorities *though there have been serious delays in a few cases of remittances of tax deducted at source ranging from 2 to 62 days.* Further as explained to us, the Company did not have any dues on account of Sales tax, Service tax, Customs duty, Excise duty and Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty which have not been deposited with the appropriate authorities on account of any dispute.

- (x) The Company has not been registered for a period in excess of five years. Accordingly, clause 4(x) of the order is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, *the Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.*

- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) **In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.**
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) *In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks are not prejudicial to the interest of the Company.*
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to information and explanations given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies/ firms/ parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

*for B S R & Associates
Chartered Accountants
Firm Registration No: 116231W*

Sriram Mahalingam
*Partner
Membership No: 049642*

*Place: Hyderabad
Date: 30 November 2012*

Note 1: Significant accounting policies

Background and overview

Northgate Com Tech Limited (“the Company”) was incorporated as Northgate Com Tech Private Limited on 28 May 2010. The name of the Company was subsequently changed to Northgate Com Tech Limited on 15 June 2011, which is primarily engaged in providing web development, web maintenance and support services to its step down subsidiary, Globe7 Pte Limited, Singapore. Pursuant to the Composite Scheme of Arrangement and Amalgamation [Refer note: 2.20] between Northgate Technologies Limited and Northgate Com Tech Private Limited; Green Fire Agri Commodities Private Limited, their respective shareholders and creditors, Northgate Technologies Limited demerged its internet business undertaking into the Company. Pursuant to the Approved Scheme, the following companies became subsidiaries and step down subsidiaries, as the case may be, of the Company with effect from 1 April 2011.

Entity

Country of incorporation

Subsidiaries

Northgate Investments Pte Limited	A company organised under the laws of Singapore
Globe7 UK Limited	A company organised under the laws of United Kingdom

Step-down subsidiaries

Globe7 Pte Limited	A company organised under the laws of Singapore
Axill Europe Limited *	A company organised under the laws of United Kingdom
Social Media India Limited	A company organised under the laws of India
Globe7 HK Limited **	A company organised under the laws of Hong Kong

* Dissolved on 25 July 2012.

** Filed petition for winding up on 21 March 2012.

(a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2006 ('the Rules') and the provisions of the Companies Act, 1956, ("the Act") to the extent applicable. These financial statements have been prepared and presented in Indian rupees.

(b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting

estimates is recognised prospectively in the current and future periods.

(c) Current non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- b. it is held primarily for the purpose of being traded; or
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current non-current classification

(Continuation)

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle; or
- b. it is held primarily for the purpose of being traded; or
- c. it is due to be settled within 12 months after the reporting date; or

- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(d) Fixed assets and depreciation

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets. Acquired intangible assets are recorded at the consideration paid for acquisition.

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956, except for office equipments which are depreciated over a period of 7 years. Assets, costing individually ` 5,000 or less are depreciated at 100% at the time of capitalisation. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year. Leased assets are amortised over the lease term or the useful life, whichever is shorter.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date, are disclosed as capital advances.

(e) Intangible assets and amortisation

Acquired intangible assets are recorded at the consideration paid for their acquisition. Internally developed intangible assets are capitalised at their cost of development, only if they meet the recognition criteria of AS 26 "Intangible Assets". Intangible assets are amortised over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

(g) Foreign exchange transactions

Foreign currency transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(h) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Information Technology services is billed on a 'cost plus mark up' basis, on services performed and is recognised based on the terms of the IT services agreement with, Globe 7 Pte Limited, Singapore.

Dividend income is recognised when the unconditional right to receive the income is established. Interest on bank deposits and loans to subsidiaries are recognised on the time proportion method using the underlying interest rates.

(i) Employee benefits

Provision for gratuity, which is a defined benefit scheme, is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company recognises the net obligation of the gratuity plan in the balance sheet as an asset or liability respectively in accordance with AS-15 "Employee Benefits".

Long term compensated absences is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

Contributions to the employees' provident fund are charged to the statement of profit and loss. Such contributions are made to the authorities administering the fund.

(j) Employee stock option schemes

In accordance with the Securities and Exchange Board of India guidelines ("the Guidelines"), the excess of the market price of shares, at the date of grant of options under the Employee stock option schemes, over the exercise price is treated as employee stock compensation and amortised over the vesting period.

(k) Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax (including post tax effect of any extraordinary items) for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, unless they are anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares arising out of employee stock options are issued have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

(l) Taxes on income

Income tax expense comprise of current tax and deferred tax.

Current tax

The current charge for the income taxes is calculated in accordance with the relevant tax laws applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realised. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

(m) Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present

obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

(n) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

(o) Leases

Lease payments (excluding cost for services and maintenance) on operating leases, are recognised as

an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non- cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment and the exercise of such option at the inception of the lease is reasonably certain.

(p) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2. Notes to accounts (continued)

2.19 Contingent liabilities:

Particulars	As at 31 March 2012	As at 31 March 2011
Contingent liabilities		
Corporate guarantee given in favour of Bank of Baroda towards the cash credit facility extended to Social Media India Limited, a step-down subsidiary.	80,000,000	-

2.20 Note on Scheme of Arrangement and Amalgamation

The Honorable High Court of Andhra Pradesh has approved the Composite Scheme of Arrangement and Amalgamation between Northgate Technologies Limited ('NTL'), Northgate Com Tech Limited ('the Company'), Green Fire Agri Commodities Private Limited ('Green Fire'), their respective shareholders and creditors ('the Approved Scheme') on 28 March 2012. The Appointed date of the Approved Scheme is 1 April 2011. Pursuant to the Approved Scheme becoming effective:

- the financial statements have been prepared giving effect to the Approved Scheme after making suitable adjustments to align the accounting methods and policies, the effect of which has been considered in the opening balance sheet on the appointed date and has been approved by the Board of Directors at their meeting held on 16 July 2012. Accordingly, the financial statement of the Company for the year ended 31 March 2012 have been presented after incorporating the effect of the accounting as proposed in the Approved Scheme.
- the internet business of NTL is demerged into the Company.
- Surplus over the book value of the net assets, pertaining to the internet business, transferred from NTL is credited to General reserve account of the Company, as follows:

Particulars	Amount in ₹	Amount in ₹
Non current assets		
Fixed assets (net of accumulated depreciation)	14,060,894	
Non current investment (net of provision for diminution in the value of investment of ` 3,571,047,211)	695,209,250	
Long term loans and advances	215,480	
	709,485,624	
Current assets		
Trade receivables	21,208,303	
Cash and bank balances	725,631	
Short term loans and advances	2,776,703	
	24,710,637	
Total assets (a)		734,196,261

Less : Liabilities		
Non-current liability		
Long term provisions	689,013	
	689,013	
Current liabilities		
Unsecured loan	109,959,898	
Current liabilities	12,645,990	
Short term provisions	33,195	
	122,639,083	
	(b)	
Total liabilities		123,328,096
Excess of assets received over liabilities (c) =(a) - (b)		610,868,165

- one equity share of `10 each of the Company would be issued to each equity shareholder of the NTL for one equity share held by him in the Company as consideration in accordance with the Approved Scheme. Since the share allotment is pending pursuant to the Approved Scheme, these shares pending allotment are disclosed under "Share capital suspense". The same have been subsequently allotted on 16 July 2012.

Number of shares held by share holders of Northgate Technologies Limited ('NTL') 49,018,590

No. of shares to be issued for 1 share held by share holders of NTL in the Company 49,018,590

- Investment in the equity shares of the Company held by NTL has been transferred to the Company as per the Approved Scheme. Pursuant to the Approved Scheme, the same shall stand cancelled without any payment on the effective date of the scheme i.e. 21 May 2012. Pending cancellation of the equity shares of the Company held by NTL the same was disclosed as 'Investment suspense account' in note 2.9 to the financial statements.

- Movement in General reserve account is explained, as follows:

General reserve account

Opening balance	-
Add: Surplus on receipt of excess of assets over liabilities (refer point iii above)	610,868,165
Less: Issue of one share to each shareholder for each one shares held in NTL (refer point iv above)	490,185,900
Amount transferred to General reserve account	120,682,265

2.21 Going concern

During the year, the Company has provided an amount of ` 644,109,758 towards the decline in the value of its long-term investment in its wholly owned subsidiary Northgate Investments Pte Limited ('NIPL') over and above an opening provision

for diminution in value of its long term investment of ₹3,571,047,211 (as appearing in the demerged business). This decline reflects the permanent diminution in the value of the underlying investments in Globe 7 Pte Limited (subsidiary of NIPL), Globe 7 HK Limited and Social Media India Limited (step-down subsidiaries of NIPL). These investments have been provided to reflect the realisable values of the respective investments. This was considered necessary consequent to the revised business plans on restructuring of operations post demerger and the current market conditions.

Notwithstanding the provision for investments in NIPL as explained above, the Management believes that the carrying value of the investments post write down is reasonable considering the fact that the scale down operations will enable the Company to generate cash-flows sufficient to meet its liabilities as and when they fall due. Hence, these financial statements have been prepared on a going concern basis and do not contain any adjustments relating to recoverability and classification of asset amounts or to amounts and classification of liabilities.

2.22 Employee stock option scheme

As at 31 March 2011, the Company had 345,000 and 714,500 under 2006 ESOP Plan and 2007 exercisable employee stock options outstanding under ASOP-RSU Plan respectively. During the year, none of the options were exercised. The Company on 16 July 2012 has passed a resolution terminating the 2006 ESOP Plan and 2007 ASOP-RSU Plan in accordance with respective plans.

2.23 Deferred tax

In view of carry forward of losses under tax laws in the current year, the Company is unable to demonstrate virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, which is as required under AS 22 'Accounting for taxes on income'. Accordingly, no deferred tax asset has been recognised as at the year-end.

2.24 Earnings in foreign currency (on accrual basis)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenues from Information Technology Services	30,562,875	-
Total	30,562,875	-

2.25 Expenditure in foreign currency (on accrual basis)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Travelling and conveyance	90,938	-
Total	90,938	-

2.26 Auditors' remuneration (included in legal and professional fees, excluding service tax):

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Statutory audit fees	300,000	10,000
Other services	150,000	-
Out of pocket expenses	20,000	-
Total	470,000	10,000

2.27 Earnings per share (EPS)

The computation of earnings per share is set out below:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Earnings (in ₹)		
Loss for the year	(655,497,741)	-
Shares		
Number of shares at the beginning of the year	50,000	-
Add: No. of equity shares issued during the year	-	50,000
Total number of equity shares outstanding at the end of the year	50,000	50,000
Weighted average number of equity shares outstanding during the year for the purpose of Basic and diluted earnings per share.	50,000	50,000
Earnings per share (in ₹)		
- Basic	(13,109.95)	-
- Diluted	(13,109.95)	-

Pending allotment of equity shares pursuant to the Approved Scheme, the numbers of equity shares aggregating 49,015,590 have not been considered for computing the basic earnings per share. As the Company incurred a net loss for the year ended 31 March 2012. The same were not considered for computation of dilutive earning per share, as their effect was anti dilutive.

2.28 Segment information

Pursuant to the Approved Scheme, the internet business of Northgate Technologies Limited has been demerged into the Company (Refer note: 2.20). The Company is primarily engaged in providing web development, web maintenance and support services to its step down subsidiary, Globe7 Pte Limited, Singapore. The Company does not make any distinction amongst the services rendered or the geographical areas to which services are rendered. As there is only one business segment and one geographical segment, the requirement for separate disclosure as required under AS 17 - 'Segment Reporting' is not applicable.

2.29 Related parties

A) Entities which exercises control over the Company

None

B) Entities over which the Company exercises control

Subsidiaries

- i. Northgate Investments Pte Limited
- ii. Globe7 UK Limited

Step-down subsidiaries

- i. Globe7 Pte Limited
- ii. Axill Europe Limited *
- iii. Social Media India Limited
- iv. Globe7 HK Limited **

C) Key Managerial Personnel

- i. Venkat S. Meenavalli Director
- ii. P. Srinivasu Executive Director

Particulars of related party transactions

I. Following is the summary of significant related party transactions:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from information		
Technology Services to subsidiary		
- Globe7 Pte Limited	30,562,875	-
Inter corporate deposit ('ICD') taken from step down subsidiary		
- Social Media India Limited	20,653,210	-
Repayment of ICD to step down subsidiary		
- Social Media India Limited	25,514,830	-
Interest accrued on loan taken		
- Social Media India Limited	8,317,208	-
Key managerial personnel		
- Venkat S. Meenavalli	3,000,000	-
- P. Srinivasu	3,000,000	-

II. The Company has the following amounts due from/to the related parties

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Trade receivables		
- Globe7 Pte Limited	21,932,085	-
Long-term borrowing		
- Social Media India Limited	105,098,571	-
Interest accrued but not due (net of TDS)		
- Social Media India Limited	15,311,989	-
Investments (Gross)		
- Northgate Investments Pte Limited	4,262,121,261	-
- Globe 7 UK Limited	4,135,200	-

2.30 Employee benefits - Gratuity

The following table sets out the status of the gratuity plan as required under Accounting standard (AS) 15 "Employee Benefits" prescribed by Companies (Accounting Standards) Rules, 2006, ('the Rules'):

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Obligations at the beginning of the year		
<i>Transfer in of obligation pursuant to the Approved Scheme</i>	1,708,260	-
Service cost	36,810	-
Interest cost	136,661	-
Benefits settled	-	-
Actuarial (gain)/loss	(1,032,489)	-
Obligations at the end of the year	849,242	-
Change in plan assets		
<i>Plan assets at the beginning of the year, at fair value</i>	-	-
<i>Transfer in of plan assets pursuant to the Approved Scheme</i>	1,188,375	-
Actuarial gain/(loss)	-	-
Expected return on plan assets	95,070	-
Contributions	-	-
Benefits settled	-	-
Plan assets at the end of the year, at fair value	1,283,445	-
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of defined benefit obligations at the end of the year	849,242	-
<i>Fair value of the plan assets at the end of the year</i>	(1,283,445)	-
Asset recognised in the balance sheet	(434,203)	-

Gratuity cost for the year		
Service cost	36,810	-
Interest cost	136,661	-
Expected return on plan assets	(95,070)	-
Actuarial loss/(gain)	(1,032,489)	-
Net gratuity cost	(954,088)	-
Assumptions		
Interest rate	8%	-
Expected rate of salary increase	10%	-
Attrition rate	10%	-

Discount rate: The discount rate is based on the gross redemption yield on medium to long term risk free investments.

Salary escalation: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Attrition rate: The attrition rate is the expected employee turnover for the future periods, adjusted to the current economic environment.

2.31 Amounts payable to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2012 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil

The amount of interest accrued and remaining unpaid at the end of the year;	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

2.32 The Company has the following un-hedged exposure in foreign currency at the year end:

Particulars	As at 31 March 2012 (Amount in \$)	As at 31 March 2011 (Amount in \$)	As at 31 March 2012 (Amount in `)	As at 31 March 2011 (Amount in `)
Trade receivables	430,506	-	21,932,085	-

2.33 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act. Since the law required existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 30 November 2012, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

2.34 The Company was a Small and Medium Sized Company (SMC) in accordance with the "Companies (Accounting Standards) Rules, 2006" during the previous year ended 31 March 2011. Accordingly the company had complied with the Accounting Standards as applicable to SMC. The following Accounting Standards and disclosures were not applicable to the Company:

- AS 3: Cash Flow Statements;
- AS 15: Employee Benefits - Paragraph 11, 12, 13, 14, 15, 16, 49, 136. Presentation and disclosure requirement for paragraph 117 to 123 and recognition and measurement principles as laid down in paragraph 50 to 116 and 129 to 131;
- AS 17: Segment Reporting;
- AS 19: Leases - Paragraph 22(c), (e) and (f); 25(a), (b) and (e); 37(a) and (f); and 46(b) and (d);
- AS 20: Earnings per share disclosure of diluted EPS; and
- AS 29: Provisions, Contingent Liabilities and Contingent Assets - Paragraph 66 and 67.

Northgate Com Tech Limited

In the current year, the Company does not fall under the conditions to qualify as SMC and hence, no exemptions/relaxations are available, as they were applicable in the previous year. Since it is the first year of adoption of AS 3 "Cash Flow Statements", comparative have not been provided.

2.35 During the year ended 31 March 2012, the Company has paid managerial remuneration of `6,000,000 in excess of the maximum limits specified in Schedule XIII to the Companies Act, 1956 of `1,800,000. The Company proposes to apply to the Central Government for necessary approval. The remuneration was paid at the time when the internet business was part of Northgate Technologies Limited (now renamed as Green Fire Agri Commodities Limited), which is a listed Company.

2.36 Previous year figures

In view of the aforesaid Scheme of arrangement and amalgamation with effect from 1 April 2011 (refer note: 2.20), the figures of the current year are not comparable with those of the previous year.

Till the year end 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified the previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosure made in the financial statement, particularly presentation of balance sheet.

As per our report of even date attached
for **B S R & Associates**
Chartered Accountants
Firm Registration No: 116231W

for **Northgate Com Tech Limited**

Sriram Mahalingam
Partner
Membership No: 049642

Venkat S. Meenavalli
Director

P. Srinivasu
Executive Director

K. Vijayasree
Company Secretary

Place: Hyderabad
Date: 30 November 2012

Place: Hyderabad
Date: 30 November 2012

Northgate Com Tech Limited

Balance sheet as at 31 March 2012 (Amount in ₹)

Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	500,000	500,000
Share capital suspense	2.1A	490,185,900	-
Reserves and surplus	2.2	(534,815,476)	-
		(44,129,576)	500,000
Non-current liabilities			
Long-term provision	2.3	54,627	-
Long-term borrowing	2.4	105,098,571	-
		105,153,198	-
Current liabilities			
Trade payables	2.5	2,441,040	-
Other current liabilities	2.6	21,558,625	10,000
Short-term provisions	2.7	43,443	-
		24,043,108	10,000
Total		85,066,730	510,000
ASSETS			
Non current assets			
Fixed assets	2.8		
- Tangible assets		6,695,000	-
Non current investments	2.9	51,599,432	-
Other non current assets	2.10	1,990,644	-
		60,285,076	-
Current assets			
Trade receivables	2.11	21,932,085	-
Cash and bank balances	2.12	2,006,616	470,936
Short term loan and advances	2.13	842,953	39,064
		24,781,654	510,000
		85,066,730	510,000
Significant accounting policies and Notes to accounts	1 & 2		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached
for **B S R & Associates**
Chartered Accountants
Firm's registration no.: 116231W

for **Northgate Com Tech Limited**

Sriram Mahalingam
Partner

Venkata S Meenavalli
Director

P. Srinivasu
Executive Director

K. Vijayasree
Company Secretary

Place: Hyderabad
Date: 30 November 2012

Place: Hyderabad
Date: 30 November 2012

Northgate Com Tech Limited

Statement of profit and loss for the year ended 31 March 2012

(Amount in ₹)

Particulars	Note No.	For the year Ended 31 March 2012	For the year Ended 31 March 2011
Revenue			
Income from operations	2.14	30,562,875	-
Other income	2.15	2,830,229	-
Total revenue		33,393,104	-
Expenses			
Operating expenses	2.16	20,455,583	-
Employee benefits expense	2.17	12,583,218	-
Finance costs	2.18	8,317,208	-
Depreciation and amortisation expense	2.8	3,425,078	-
Provision for diminution in value of long term investment		644,109,758	-
Total expenses		688,890,845	-
Loss before tax		(655,497,741)	-
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Loss for the year		(655,497,741)	-
Earnings per share - par value ₹ 10 per share	2.27		
Basic		(13,109.95)	-
Diluted		(13,109.95)	-
Significant accounting policies and Notes to accounts	1 & 2		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached for **B S R & Associates** Chartered Accountants Firm's registration no.: 116231W

for **Northgate Com Tech Limited**

Sriram Mahalingam
Partner

Venkata S Meenavalli
Director

P. Srinivasu
Executive Director

K. Vijayasree
Company Secretary

Place: Hyderabad
Date: 30 November 2012

Place: Hyderabad
Date: 30 November 2012

Northgate Com Tech Limited

Cash flow statement for the year ended 31 March 2012

(Amount in ₹)

Particulars	For Year ended 31 March, 2012
I. Cash flows from operating activities:	
Net profit before taxation:	(655,497,741)
<i>Adjustments for operating activities:</i>	
Depreciation and amortisation	3,425,078
Fixed asset written off	3,940,815
Preliminary expenses written off	39,064
Finance costs	8,317,208
Provision for diminution in value of long term investment	644,109,758
Operating profit before working capital changes	4,334,182
<i>Adjustments for</i>	
Decrease/(increase) in trade receivables	(723,781)
Decrease/(increase) in loans and advances and other assets	158,586
Increase/(decrease) in provisions	(624,138)
Increase/(decrease) in trade payables and current liabilities	12,554,914
Cash generated from operations	15,699,763
Income taxes paid	-
Net cash flow from operating activities (A)	15,699,763
II. Cash flows from investing activities	
Investment suspense account	(499,940)
Net cash flow used in investing activities (B)	(499,940)
III. Cash flows from financing activities	
Proceeds from intercorporate deposit, net	(12,688,120)
Interest paid	(1,701,654)
Net cash used in financing activities (C)	(14,389,774)
Net increase in cash and cash equivalents (A+B+C)	810,049
Net cash received pursuant to the Approved Scheme (Refer note : 2.20)	725,631
Cash and cash equivalents at the beginning of the year	470,936
Cash and cash equivalents at the end of the year (refer note: 2.12)	2,006,616
*Refer note.2.33	

The notes referred to above form an integral part of financial statements.

As per our report of even date attached for **B S R & Associates** Chartered Accountants Firm's registration no.: 116231W

for **Northgate Com Tech Limited**

Sriram Mahalingam
Partner

Venkata S Meenavalli
Director

P. Srinivasu
Executive Director

K. Vijayasree
Company Secretary

Place: Hyderabad
Date: 30 November 2012

Place: Hyderabad
Date: 30 November 2012

2. Notes on accounts

(Amount in ₹)

Particulars	As at	
	31 March 2012	31 March 2011
2.1 Share capital		
Authorised*		
Equity shares		
50,000 (previous year : 50,000) equity of ₹10 each.	500,000	500,000
	500,000	500,000
*The Board of Directors of the Company passed a resolution on 30 September 2011 to increase the authorised share capital to 50,000,000 equity shares of ₹10 each. Form 5 was filed subsequently on 13 September 2012.		
Issued, subscribed and fully paid up		
50,000 (previous year : 50,000) equity shares of ₹10 each fully paid up (Refer note : 2.20)	500,000	500,000
	500,000	500,000
2.1A Shares capital suspense		
Shares capital suspense*		
49,018,590 (previous year : Nil) equity shares of ₹10 each are pending allotment pursuant to the Approved Scheme for consideration other than cash.(Refer note: 2.20(iv))	490,185,900	-
	490,185,900	-

i. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.

ii. The reconciliation of the number of equity shares outstanding is set out below:*

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

* 49,018,590 equity Shares of ₹10 each pending allotment pursuant to the Approved Scheme (Refer note: 2.20(iv)). Accordingly, the same has not been considered for reconciliation of the number of equity shares outstanding.

iii. The details of shareholder holding more than 5% equity shares is set below:*

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Northgate Technologies Limited	49,994	99%	49,994	99%

*49,018,590 equity shares of ₹10 each pending allotment pursuant to the Approved Scheme (Refer note: 2.20). Accordingly, the same has not been considered for arriving at shareholders holding more than 5% equity shares of the Company.

(Amount in ₹)

Particulars	As at	
	31 March 2012	31 March 2011
2.2 Reserves and Surplus		
General reserve account (Refer note: 2.20)	120,682,265	-
Balance in statement of profit and loss		
Balance at the end of beginning of the year	-	-
Add: Loss for the year transferred from statement of profit and loss	(655,497,741)	-
Balance at the end of the year	(655,497,741)	-
Total	(534,815,476)	-
2.3 Long-term provision		
Provision for employee benefits		
Compensated absences	54,627	-
	54,627	-
2. 4 Long-term borrowing		
<i>Unsecured, considered good</i>		
Inter corporate deposit from related party *	105,098,571	-
	105,098,571	-

Northgate Com Tech Limited

2.5 Trade payables		
Trade payables		-
- Amounts due to Micro, Small and Medium Enterprises (Refer note : 2.31)		-
- Others	2,441,040	-
	2,441,040	-
2.6 Other current liabilities		
Interest accrued but not due	15,311,989	10,000
Provision for expenses	274,546	-
Employee payables	843,024	-
Unclaimed dividend	394,258	-
Statutory dues including provident fund	4,734,808	-
	21,558,625	10,000
2.7 Short term provisions		
Provision for employee benefits		
Compensated absences	19,727	-
Others		
Provision for wealth tax	23,716	-
	43,443	-

Northgate Com Tech Limited

Particulars	Gross Block			Depreciation and amortisation		Net block			
	As at 1 April 2011	Additions through demerger (Refer note:2.20)	through other than demerger	Deletion/Write off	As at 31 March 2012	for the year	Deletion/Write off	As at 31 March 2012	As at 31 March 2011
2.8 Fixed assets									
Tangible Assets (Owned)									
Leasehold improvements	-	8,364,000	-	-	8,364,000	-	-	8,364,000	-
Computers and related assets	-	20,519,071	-	18,008,422	2,510,649	16,577,678	16,346,173	2,162,298	348,351
Air conditioners	-	2,715,726	-	2,266,686	449,040	685,776	128,541	89,056	359,984
Furniture and fixtures	-	1,214,613	-	489,613	725,000	511,865	60,120	194,732	530,268
Vehicles	-	10,139,081	-	687,500	10,070,331	3,772,664	962,296	4,686,858	5,403,473
Office equipment	-	2,082,959	-	1,981,460	91,499	1,141,454	265,290	38,575	52,924
Total	-	45,035,450	-	22,824,931	22,210,519	31,053,437	3,347,040	15,515,519	6,695,000
Previous year	-	-	-	-	-	-	-	-	-
Intangible Assets (Owned)									
Goodwill	-	16,382,330	-	-	16,382,330	16,382,330	-	16,382,330	-
Software	-	23,290,616	-	843	23,289,773	23,211,735	78,038	23,289,773	-
Total	-	39,672,946	-	843	39,672,103	39,594,065	76,038	39,672,103	-
Previous year	-	-	-	-	-	-	-	-	-
Grand total - current year	-	84,708,396	-	22,825,774	61,882,623	70,647,502	3,425,078	55,187,622	6,695,000
Grand total - previous year	-	-	-	-	-	-	-	-	-

Northgate Com Tech Limited

(Amount in ₹)		
Particulars	As at 31 March 2012	As at 31 March 2011
2.9 Non-trade, long term investments (unquoted)		
<i>Investment in equity instruments- subsidiaries</i>		
145,304,595 (previous year: Nil) ordinary shares of SGD 1 each fully paid-up of Northgate Investments Pte Limited, at cost	4,262,121,261	-
60,000 (previous year : Nil) ordinary shares of GBP 1 each fully paid-up of Globe 7 UK Limited, at cost	4,135,200	-
Investment suspense account (Refer note 2.20 (v))	499,940	-
Less: Provision for diminution in value of long term investment (Refer note: 2.21)	(4,215,156,969)	-
	51,599,432	-
2.10 Other non current assets		
<i>Unsecured, considered good</i>		
Other loans and advances		
Electricity deposits	13,572	-
Rental deposits	1,496,000	-
Telephone deposits	355,467	-
Prepaid expenses	125,605	-
	1,990,644	-
2.11 Trade receivables		
<i>Unsecured, considered good</i>		
Debts outstanding for period exceeding six months from the date they become due	3,580,770	-
Others	18,351,315	-
	21,932,085	-
2.12 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	24,670	460,936
Balance with banks in current accounts	1,587,688	10,000
	1,612,358	470,936
Other bank balances		
Balances with bank for unclaimed dividend	394,258	-
	2,006,616	470,936

Northgate Com Tech Limited

2.13 Short term loan and advances		
<i>Unsecured, considered good</i>		
Others		
Security deposits	400,000	-
Gratuity fund (Refer note : 2.30)	434,203	-
Other advance	8,750	39,064
	842,953	39,064
2.14 Income from operations		
Income from Information Technology Services	30,562,875	-
	30,562,875	-
2.15 Other income		
Foreign exchange gain, net	1,728,515	-
Trade payables written back	147,626	-
Reversal of gratuity payable	954,088	-
	2,830,229	-
2.16 Operating expenses		
Communication expenses	830,975	-
Power and fuel	748,881	-
Rent	3,253,600	-
Repairs and maintenance:		
- Building	208,762	-
- others	169,073	-
Rates and taxes, excluding, taxes on income	4,244,287	-
Insurance charges	94,336	-
Traveling and conveyance	262,742	-
Legal and professional fees	5,088,026	-
Advertisement charges	91,988	-
Bank charges	14,565	-
Subscriptions	31,951	-
Printing and stationery	8,754	-
Fixed assets written off	3,940,815	-
Preliminary expenses written off	39,064	-
Miscellaneous expenses	1,427,764	-
	20,455,583	-
2.17 Employee benefits expense		
Salaries	11,876,195	-
Contribution to provident fund and other funds	266,344	-
Staff welfare expenses	440,679	-
	12,583,218	-
2.18 Finance cost		
Interest on inter-corporate deposit	8,317,208	-
	8,317,208	-

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No : 068624 State Code : 01
 CIN Number : U72200AP2010PLC068624 Balance Sheet Date : 31.03.2012

II. Capital Raised During The Year: (Rs. in Thousands)

Public Issue : NIL Rights : NIL
 Bonus Issue : NIL Private Placement : NIL

III. Position of Mobilisation and Deployment of Funds: (Rs. in Thousands)

Total Liabilities : 851 Total Assets : 851

IV. EQUITY AND LIABILITIES (Rs. in Thousands)

Paid-up Capital : 5.00 Reserves & Surplus : (5,348)
 Long Term Borrowings : 1,051 Current Liabilities : 240

ASSETS

Net Fixed Assets : 67 Investments : 516
 Current Assets : 248 Misc. Expenses : Nil

V. Performance of the Company:

Turnover : 306 Total Expenditure : 6,889
 Profit/(Loss) before tax : (6,555) Dividend Rate : Nil
 Earnings Per share (in Rs) : (13,109)

V. Generic Names of Three Principal Products/Services of the Company**(as per monetary terms):**

Item Code No : 72200. Product Description : IT Services

Northgate Com Tech Limited

Regd. Office: SDE Serene Chambers, 8-2-334, 1st Floor, South eastern Wing,
 Road no. 7, Banjara Hills, Hyderabad - 500 034

PROXY FORM

Second Annual General Meeting December 31, 2012

Folio No./ DP and Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We.....of.....in the district of being a member(s) of the Company hereby appointof.....in the district of.....or failing him / her.....of in the district ofas my / our proxy to vote for me / us on my / our behalf at the twentieth Annual General Meeting of the Company to be held on Monday, December 31, 2012 at 3.30.p.m. at Kalinga Cultural trust, plot no. 1269, road no. 12, Banjara Hills, Hyderabad - 500 034 and at any adjournment(s) thereof.

Signed thisday of2012.

Signature of Member

Note: this form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.

Northgate Com Tech Limited

Regd. Office: SDE Serene Chambers, 8-2-334, 1st Floor, South eastern Wing,
 Road no. 7, Banjara Hills, Hyderabad - 500 034

ATTENDANCE SLIP

Second Annual General Meeting December 31, 2012

Folio No./ DP and Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of Shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Second Annual General Meeting of the Company at on Monday, December 31, 2012 at 3.30.p.m.

.....
 Name of the Member / proxy
 (in BLOCK letters)

.....
 Signature of Member / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting. Members are requested to bring their copy of the Annual Report to the meeting.