



Megasoft Limited
Unaudited Financial Results for the quarter ended 31st March 2004

Rs lakhs

	Particulars	Megasoft Limited			Consolidated	
		Unaudited for 3 months period ended 31-Mar-2004	Unaudited for 3 months period ended 31-Mar-2003	Audited for 18 months period ended 31-Dec-2003	Unaudited for 3 months period ended 31-Mar-2004	Audited for 18 months period ended 31-Dec-2003
1	Revenues (refer note no.2)	475	763	4,353	1,587	7,974
2	Personnel costs	286	639	3,006	1,245	5,820
3	Operating & Administration Expenses	67	112	623	183	1,278
4	(Increase) / Decrease in Inventories	(33)	(120)	(2)	(33)	(2)
5	Operating Profit before Interest, Depreciation and Amortisation	155	132	726	192	878
6	Financial expenses	24	45	193	38	286
7	Depreciation and Amortisation	65	58	357	70	391
8	Operating Profit after Interest, Depreciation and Amortisation	66	29	176	84	201
9	Other Income / (Expenses)	(62)	(19)	(102)	(41)	(16)
10	Profit before tax	4	10	74	43	185
11	Provision for taxation					
	Current Tax	0	0	0	0	(8)
	Deferred Tax benefit / (expense)	0	0	9	0	9
12	Profit after tax	4	10	83	43	186
13	Paid-up Equity Share Capital (Rs.10 per share)	1,512	1,512	1,512	1,512	1,512
14	Reserves excluding revaluation reserves			1,075		1,058
15	Earnings per Share (Rs) (not annualised)					
	Basic	0.03	0.06	0.55	0.29	1.23
	Diluted	0.03	0.06	0.55	0.29	1.23
16	Aggregate of non-promoters' shareholding					
	Number of Shares	7,795,767	7,355,677	7,464,611	7,795,767	7,464,611
	Percentage of holding (to total holding)	51.6%	48.7%	49.4%	51.6%	49.4%



Notes:

1. The consolidated financial results of the Company and its wholly owned subsidiaries ("Group") are prepared in accordance with Accounting Standard (AS-21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
2. The consolidated financial results of the Group for the previous financial period ended 31st December 2003 include results of its wholly-owned subsidiaries at Singapore, Malaysia and Hong Kong and effective 1st January 2003 Megasoft Consultants Inc, USA along with its subsidiaries at UK, Germany, The Netherlands, Australia and New Zealand. The Company started publishing the consolidated financial results since July-September 2003 quarter and hence the corresponding figures are not presented and also are not comparable to the previous financial period.
3. Other income / (expenses) include Net Exchange gain / (loss) during the period.
4. Provision for taxation and deferred tax in compliance with AS-22 (Accounting for Taxes on Income), if any, will be made at the end of the current Financial Year.
5. The segment-wise figures are not furnished as the Company's business is mainly in the "Information Technology Services" which constitute one single primary segment.
6. No investor complaints were pending either at the beginning or at the end of the quarter. None were received during the quarter.
7. The merger of XIUS India Limited with the Company has been approved by the Shareholders of the Company at the Court convened Extra-ordinary General Meeting held on 15th April 2004. Based on the applications filed by XIUS India Limited with the High Court of Andhra Pradesh, the Hon'ble Court ordered dispensation of the Extra-ordinary General Meeting for approval of the Scheme of Amalgamation. The Petitions under Section 394 of the Companies Act, 1956 have been filed with the respective High Courts. However, pending receipt of approvals of the Hon'ble High Courts, effect of merger with effect from 1st January 2004, has not been recognised in the above results.
8. Previous periods' figures have been regrouped / rearranged wherever necessary.
9. The Statutory Auditors have carried out a 'Limited Review' of the Company's results in terms of clause 41 of the Listing Agreement with the Stock Exchanges.
10. These results were taken on record by the Board of Directors at their Meeting held on 28th April 2004 after a review by the Audit Committee of the Company.

By Order of the Board
for **MEGASOFT LIMITED**

D Sudhakar Reddy
Whole-time Director

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