

Consolidated Financial Results for the first quarter ended 31 March 2009

Rs lakhs

	Particulars	3 months ended	Corresponding	Previous
		31-Mar-2009	31-Mar-2008	accounting year
		Unaudited	Unaudited	ended
				31-Dec-2008
				Audited
1	Income			
a	Net Sales / Income from Operations	7,522	9,029	32,616
b	Other Operating income / (expense)	515	273	3,693
	Total Income	8,037	9,302	36,309
2	Expenditure			
a	Personnel costs	3,777	4,445	18,239
b	Operating Expenses	2,875	2,152	9,677
	Total Expenditure	6,652	6,597	27,916
3	Operating Profit before Interest and Depreciation (1-2)	1,385	2,705	8,393
4	Depreciation and Amortisation	684	638	2,604
5	Operating Profit before Interest (3-4)	701	2,067	5,789
6	Finance cost	620	427	2,194
7	Operating Profit after Interest and Depreciation (5-6)	81	1,640	3,595
8	Other Income / (Expense)	1	37	81
9	Exceptional items	--	--	--
10	Profit before tax (7+8-9)	82	1,677	3,676
11	Taxes	70	170	419
12	Profit after tax (10-11)	12	1,507	3,257
13	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427
14	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year			32,099
15	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)			
	Basic	0.03	3.39	7.36
	Diluted	0.04	3.37	7.33
16	Public Shareholding			
	Number of Shares	41,063,337	37,254,025	37,255,117
	Percentage of shareholding	92.76%	84.16%	84.16%
17	Promoters and Promoter Group Shareholding			
a	Pledged / Encumbered			
	Number of Shares	2,152,000		
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	67.17%		
	Percentage of Shares (as a % of the total share capital of the Company)	4.86%		
b	Non - encumbered			
	Number of Shares	1,051,956		
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	32.83%		
	Percentage of Shares (as a % of the total share capital of the Company)	2.38%		

Segment-wise revenue, results and capital employed

Segment Revenue			
IT Services	2,924	3,478	13,396
Telecom	4,598	5,551	19,220
Total	7,522	9,029	32,616
Less: Inter-segment revenue	--	--	--
Net Sales Income from Operations	7,522	9,029	32,616
Segment Results			
Profit before Tax & Interest from each segment			
IT Services	494	552	2,244
Telecom	1,036	2,053	6,917
Total	1,530	2,605	9,161
Less: Finance cost	620	427	2,194
Less: Other unallocable expenditure			
net-off unallocable income	828	501	3,291
Total Profit before Tax	82	1,677	3,676

Financial Results for the first quarter ended 31 March 2009

Rs lakhs

	Particulars	3 months ended	Corresponding	Previous
		31-Mar-2009	3 months ended	accounting year
		Unaudited	31-Mar-2008	ended
			Unaudited	31-Dec-2008
			Audited	
1	Income			
a	Net Sales / Income from Operations	1,824	2,966	12,383
b	Other Operating income / (expense)	503	273	3,148
	Total Income	2,327	3,239	15,531
2	Expenditure			
a	Personnel costs	1,064	1,614	9,809
b	Operating Expenses	224	334	1,468
	Total Expenditure	1,288	1,948	11,277
3	Operating Profit before Interest and Depreciation (1-2)	1,039	1,291	4,254
4	Depreciation and Amortisation	351	414	1,644
5	Operating Profit before Interest (3-4)	688	877	2,610
6	Finance cost	346	113	837
7	Operating Profit after Interest and Depreciation (5-6)	342	764	1,773
8	Other Income / (Expenses)	--	7	8
9	Exceptional items	--	--	--
10	Profit before tax (7+8-9)	342	771	1,781
11	Taxes	70	170	417
12	Profit after tax (10-11)	272	601	1,364
13	Less: Provision for diminution in value of Investments	--	--	121
14	Profit for the period (12-13)	272	601	1,243
15	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427
16	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year			27,311
17	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)			
	Basic	0.61	1.36	3.08
	Diluted	0.62	1.35	3.10
18	Aggregate of public shareholding			
	Number of Shares	41,063,337	37,254,025	37,255,117
	Percentage of holding (to total holding)	92.76%	84.16%	84.16%
19	Promoters and Promoter Group Shareholding			
a	Pledged / Encumbered			
	Number of Shares	2,152,000		
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	67.17%		
	Percentage of Shares (as a % of the total share capital of the Company)	4.86%		
b	Non - encumbered			
	Number of Shares	1,051,956		
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	32.83%		
	Percentage of Shares (as a % of the total share capital of the Company)	2.38%		

Segment-wise revenue, results and capital employed

Segment Revenue			
IT Services	712	377	3,911
Telecom	1,112	2,589	8,472
Total	1,824	2,966	12,383
Less: Inter-segment revenue	--	--	--
Net Sales Income from Operations	1,824	2,966	12,383
Segment Results			
Profit before Tax & Interest from each segment			
IT Services	59	56	147
Telecom	1,010	1,004	4,565
Total	1,069	1,060	4,712
Less: Finance cost	346	113	837
Less: Other unallocable expenditure			
net-off unallocable income	381	176	2,094
Total Profit before Tax	342	771	1,781



Notes :

- 1 The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as set out in the Accounting Standard on Consolidated Financial Statements of the Companies (Accounting Standards) Rules, 2006, of the provisions of the Companies Act, 1956. All material inter-company accounts are eliminated on consolidation.
- 2 Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the primary reportable segments, as they are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities have been made.
- 3 Provision for taxation include current tax, deferred tax and fringe benefit tax.
- 4 Provision for current taxes has been made in accordance with Section 115JB of the Income Tax Act, 1961.
- 5 The company continues to face cash flow constraints due to the global liquidity crisis as well as difficulty in collecting payments as many of its debtors are facing liquidity crunch. The company is also putting additional focus on receivable collections. In addition the company has initiated several cost cutting measures and sale of some of the non-core assets.
- 6 The balance Foreign Currency Convertible Bonds ("FCCB") aggregating to USD 2 million due for redemption on 17 September 2008 is being negotiated for extension of time for a period of up to one year with the lender with revised terms, subject to statutory approvals.
- 7 No investor complaints were pending either at the beginning or at the end of the quarter. Four complaints were received and resolved during the quarter.
- 8 Previous period figures have been regrouped, reclassified / rearranged wherever necessary to conform to current period's presentation.
- 9 The company reconstituted its Board on 31 January 2009 by inducting Mr R Janardhana and Mr Anish Mathew as Additional Directors. Prof S Sadagopan and Mr LS Venkataramanan resigned as Directors due to their personal reasons.
- 10 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.
- 11 These results were taken on record by the Board of Directors at their Meeting held on 25 April 2009 after a review by the Audit Committee of the Company.
- 12 The standalone financial results of Megasoft Limited have been submitted to the stock exchanges and are available for perusal in our company website at www.megasoft.com and in stock exchange's website of both BSE and NSE viz., www.bseindia.com and www.nseindia.com

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

Place: Hyderabad
Date: 25 April 2009

GV Kumar
Managing Director