

MEGASOFT LIMITED

No.85, Kutchery Road, Mylapore, Chennai 600004


Unaudited Consolidated Financial Results for the 2nd Quarter and half year ended 30 June 2009

Rs lakhs

	Particulars	3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures in the previous year	Previous accounting year ended
		30-Jun-2009	30-Jun-2008	30-Jun-2009	30-Jun-2008	31-Dec-2008
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	7,836	8,498	15,358	17,527	32,616
2	Expenditure					
a	Personnel costs	3,669	4,534	7,446	8,979	18,239
b	Operating Expenses	3,260	2,029	6,135	4,181	9,677
	Total Expenditure	6,929	6,563	13,581	13,160	27,916
3	Operating Profit before Interest and Depreciation (1-2)	907	1,935	1,777	4,367	4,700
4	Depreciation and Amortisation	594	651	1,278	1,289	2,604
5	Operating Profit before Interest (3-4)	313	1,284	499	3,078	2,096
6	Finance cost	665	379	1,285	806	2,194
7	Operating Profit / (Loss) after Interest and Depreciation (5-6)	(352)	905	(786)	2,272	(98)
8	Other Income / (Expense)	(443)	358	73	668	3,774
9	Exceptional items	--	--	--	--	--
10	Profit / (Loss) before tax (7+8-9)	(795)	1,263	(713)	2,940	3,676
11	Taxes	22	50	92	220	419
12	Profit / (Loss) after tax (10-11)	(817)	1,213	(805)	2,720	3,257
13	Less: Minority Interest	--	--	--	--	--
14	Profit / (Loss) for the period (12-13)	(817)	1,213	(805)	2,720	3,257
15	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427	4,427
16	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					32,099
17	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)					
	Basic	(1.85)	2.74	(1.82)	6.14	7.36
	Diluted	(1.84)	2.69	(1.80)	6.03	7.33
18	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			500,000		
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)			15.61%		
	Percentage of Shares (as a % of the total share capital of the Company)			1.13%		
b	Non - encumbered					
	Number of Shares			2,703,956		
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)			84.39%		
	Percentage of Shares (as a % of the total share capital of the Company)			6.11%		

Segment-wise revenue, results and capital employed

Segment Revenue						
	IT Services	2,625	3,321	5,549	6,799	13,396
	Telecom	5,211	5,177	9,809	10,728	19,220
	Total	7,836	8,498	15,358	17,527	32,616
	Less: Inter-segment revenue	--	--	--	--	--
	Net Sales Income from Operations	7,836	8,498	15,358	17,527	32,616
Segment Results						
	Profit before Tax & Interest from each segment					
	IT Services	233	540	727	1,092	2,244
	Telecom	379	1,628	1,415	3,681	6,917
	Total	612	2,168	2,142	4,773	9,161
	Less: Finance cost	665	379	1,285	806	2,194
	Less: Other unallocable expenditure net-off unallocable income	742	526	1,570	1,027	3,291
	Profit / (Loss) before Tax	(795)	1,263	(713)	2,940	3,676

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Unaudited Financial Results for the 2nd Quarter and half year ended 30 June 2009
Rs lakhs

	Particulars	3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures in the previous year	Previous accounting year ended
		30-Jun-2009	30-Jun-2008	30-Jun-2009	30-Jun-2008	31-Dec-2008
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	2,508	3,004	4,332	5,970	12,383
2	Expenditure					
a	Personnel costs	1,052	1,415	2,116	3,029	9,809
b	Operating Expenses	238	241	462	575	1,468
	Total Expenditure	1,290	1,656	2,578	3,604	11,277
3	Operating Profit before Interest and Depreciation (1-2)	1,218	1,348	1,754	2,366	1,106
4	Depreciation and Amortisation	306	416	657	830	1,644
5	Operating Profit / (Loss) before Interest (3-4)	912	932	1,097	1,536	(538)
6	Finance cost	428	187	774	300	837
7	Operating Profit / (Loss) after Interest and Depreciation (5-6)	484	745	323	1,236	(1,375)
8	Other Income / (Expenses)	(410)	669	93	949	3,156
9	Exceptional items	--	--	--	--	--
10	Profit before tax (7+8-9)	74	1,414	416	2,185	1,781
10	Provision for taxation	21	50	91	220	417
12	Profit after tax (10-11)	53	1,364	325	1,965	1,364
13	Less: Provision for diminution in value of Investments / loan	--	--	--	--	121
14	Profit for the period (12-13)	53	1,364	325	1,965	1,243
15	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	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	0.12	3.08	0.73	4.44	3.08
	Diluted	0.11	3.02	0.72	4.36	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%
17	Promoters and Promoter Group Shareholding					
a	Pledged / Encumbered					
	Number of Shares			500,000		
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)			15.61%		
	Percentage of Shares (as a % of the total share capital of the Company)			1.13%		
b	Non - encumbered					
	Number of Shares			2,703,956		
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)			84.39%		
	Percentage of Shares (as a % of the total share capital of the Company)			6.11%		

Segment-wise revenue, results and capital employed

Segment Revenue						
	IT Services	250	334	962	711	3,911
	Telecom	2,258	2,670	3,370	5,259	8,472
	Total	2,508	3,004	4,332	5,970	12,383
	Less: Inter-segment revenue	--	--	--	--	--
	Net Sales Income from Operations	2,508	3,004	4,332	5,970	12,383
Segment Results						
	Profit before Tax & Interest from each segment					
	IT Services	(44)	60	15	116	147
	Telecom	897	1,335	1,907	2,339	4,565
	Total	853	1,395	1,922	2,455	4,712
	Less: Finance cost	428	187	774	300	837
	Less: Other unallocable expenditure net-off unallocable income	351	(206)	732	(30)	2,094
	Profit / (Loss) before Tax	74	1,414	416	2,185	1,781

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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 and deferred tax. Fringe benefit tax is provided up to 31 March 2009.
- 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 and business constraints due to the adverse global economic scenario as well as difficulty in collecting payments as many of its debtors are facing liquidity crunch. The company continues to put 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 company has reached a negotiated settlement for payment of the balance Foreign Currency Convertible Bonds ("FCCB") aggregating to USD 2 million and nullifying the same, subject to statutory approvals.
- 7 No investor complaints were pending either at the beginning or at the end of the quarter. Three 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 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 30 July 2009 after a review by the Audit Committee of the Company.
- 11 The standalone financial results of Megasoft Limited have been submitted to the stock exchanges and are available for perusal in the 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: Chennai
Date: 30 July 2009

GV Kumar
Managing Director