

**MEGASOFT LIMITED**

No.85, Kutchery Road, Mylapore, Chennai 600004

**Consolidated Financial Results for the first quarter ended 31 March 2010***Rs lakhs*

	Particulars	3 months ended	Corresponding 3	Previous
			months ended in	accounting year
		31/Mar/2010	the previous	ended
		Unaudited	Unaudited	Audited
			31/Mar/2009	31/Dec/2009
1	Net Sales / Income from Operations	3,926	7,522	30,299
2	<b>Expenditure</b>			
a	Personnel costs	1,135	5,015	20,055
b	Operating Expenses	1,507	1,637	6,387
	<b>Total Expenditure</b>	<b>2,642</b>	<b>6,652</b>	<b>26,442</b>
3	<b>Operating Profit before Interest and Depreciation (1-2)</b>	<b>1,284</b>	<b>870</b>	<b>3,857</b>
4	Depreciation and Amortisation	392	684	2,427
5	<b>Operating Profit before Interest (3-4)</b>	<b>892</b>	<b>186</b>	<b>1,430</b>
6	Finance cost	429	620	2,281
7	<b>Operating Profit / (Loss) after Interest and Depreciation (5-6)</b>	<b>463</b>	<b>(434)</b>	<b>(851)</b>
8	Other Income / (Expense)	(89)	516	(465)
9	Provision / write-off of debtors	--	--	1,180
10	<b>Profit / (Loss) before tax (7+8-9)</b>	<b>374</b>	<b>82</b>	<b>(2,496)</b>
11	Taxes	(43)	70	(287)
12	<b>Profit / (Loss) after tax (10-11)</b>	<b>417</b>	<b>12</b>	<b>(2,209)</b>
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			17,516
15	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)			
	Basic	0.94	0.03	(4.99)
	Diluted	0.92	0.04	(4.89)
16	Public Shareholding			
	Number of Shares	41,063,337	41,063,337	41,063,337
	Percentage of shareholding	92.76%	92.76%	92.76%
17	Promoters and Promoter Group Shareholding			
a	Pledged / Encumbered			
	Number of Shares	2,000,000	2,152,000	2,500,000
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	62.42%	67.17%	78.03%
	Percentage of Shares (as a % of the total share capital of the Company)	4.52%	4.86%	5.65%
b	Non - encumbered			
	Number of Shares	1,203,956	1,051,956	703,956
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	37.58%	32.83%	21.97%
	Percentage of Shares (as a % of the total share capital of the Company)	2.72%	2.38%	1.59%

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Financial Results for the first quarter ended 31 March 2010

Rs lakhs

	Particulars	3 months ended	Corresponding 3	Previous
		31/Mar/2010	months ended in	accounting year
		Unaudited	the previous	ended
		31/Mar/2009	31/Dec/2009	
		Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	1,553	1,824	8,870
2	<b>Expenditure</b>			
a	Personnel costs	515	1,064	3,549
b	Operating Expenses	148	224	1,054
	<b>Total Expenditure</b>	<b>663</b>	<b>1,288</b>	<b>4,603</b>
3	<b>Operating Profit before Interest and Depreciation (1-2)</b>	<b>890</b>	<b>536</b>	<b>4,267</b>
4	Depreciation and Amortisation	139	351	1,428
5	<b>Operating Profit before Interest (3-4)</b>	<b>751</b>	<b>185</b>	<b>2,839</b>
6	Finance cost	213	346	1,337
7	<b>Operating Profit / (Loss) after Interest and Depreciation (5-6)</b>	<b>538</b>	<b>(161)</b>	<b>1,502</b>
8	Other Income / (Expenses)	(446)	503	(375)
9	Provision / write-off of debtors	--	--	1,173
10	<b>Profit / (Loss) before tax (7+8-9)</b>	<b>92</b>	<b>342</b>	<b>(46)</b>
11	Taxes	(44)	70	(290)
12	<b>Profit / (Loss) after tax (10-11)</b>	<b>136</b>	<b>272</b>	<b>244</b>
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			15,108
15	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)			
	Basic	0.31	0.61	0.55
	Diluted	0.30	0.62	0.54
16	Aggregate of public shareholding			
	Number of Shares	41,063,337	41,063,337	41,063,337
	Percentage of holding (to total holding)	92.76%	92.76%	92.76%
17	Promoters and Promoter Group Shareholding			
a	Pledged / Encumbered			
	Number of Shares	2,000,000	2,152,000	2,500,000
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	62.42%	67.17%	78.03%
	Percentage of Shares (as a % of the total share capital of the Company)	4.52%	4.86%	5.65%
b	Non - encumbered			
	Number of Shares	1,203,956	1,051,956	703,956
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	37.58%	32.83%	21.97%
	Percentage of Shares (as a % of the total share capital of the Company)	2.72%	2.38%	1.59%

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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 Previous period figures have been regrouped, reclassified / rearranged wherever necessary to conform to current period's presentation. Current period figures are without IT Services ('BlueAlly') Division subsequent to its divestment, w.e.f. 1 October 2009, and hence are not comparable.
- 3 Subsequent to this divestment, the company has a single reportable segment, that of Telecom. Accordingly, Accounting Standard 17 (AS 17 – Segment Reporting) issued by ICAI / Company (Accounting Standards) Rules, 2006 is no longer applicable.
- 4 Other income / (expenses) include Net Exchange gain / (loss) during the period / year.
- 5 Provision for taxation includes current tax and deferred tax.
- 6 Provision for current taxation has been made in accordance with Section 115JB of the Income Tax Act, 1961.
- 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 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.
- 9 These results were taken on record by the Board of Directors at their Meeting held on 13 May 2010 after a review by the Audit Committee of the Company.
- 10 As per clause 41 of the Listing Agreement, the company has opted to publish Consolidated Financial Results. The standalone financial results of Megasoft Limited have been submitted to the stock exchanges and are available for perusal in the company's website at [www.megasoft.com](http://www.megasoft.com) and in stock exchange's website of both BSE and NSE viz., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

The following are the particulars of the company (on standalone basis):

		<i>Rs lakhs</i>		
	Particulars	3 months ended	Corresponding 3	Previous
			months ended in	accounting year
		31/Mar/2010	the previous	ended
		31/Mar/2009	31/Dec/2009	
		Unaudited	Unaudited	Audited
a	Turnover	1,553	1,824	8,870
b	Profit / (Loss) before tax	92	342	(46)
c	Profit / (Loss) after tax	136	272	244

By Order of the Board  
for MEGASOFT LIMITED

Place: Hyderabad  
Date: 13 May 2010

GV Kumar  
Managing Director