MEGASOFT LIMITED

No.85, Kutchery Road, Mylapore, Chennai 600004



Unaudited Consolidated Financial Results for the 3rd Quarter and 9-month period ended 30 September 2010

Rs lakhs

	RS TOK							
		Quarter	Quarter	9-month	9-month	Previous		
	Particulars	ended	ended	period ended	period ended	accounting		
						year ended		
		30-Sep-2010	30-Sep-2009	30-Sep-2010	30-Sep-2009	31-Dec-2009		
		Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1	Net Sales / Income from Operations	4,285	8,110	12,430	23,468	30,299		
2	Expenditure							
а	Personnel costs	1,251	5,502	3,804	15,794	20,047		
b	Operating Expenses	1,674	1,805	4,690	5,094	6,396		
	Total Expenditure	2,925	7,307	8,494	20,888	26,443		
3	Operating Profit before Interest and Depreciation (1-2)	1,360	803	3,936	2,580	3,856		
4	Depreciation and Amortisation	339	520	1,126	1,798	2,427		
5	Operating Profit before Interest (3-4)	1,021	283	2,810	782	1,429		
6	Finance cost	406	781	1,252	2,066	2,281		
7	Operating Profit / (Loss) after Interest and Depreciation (5-6)	615	(498)	1,558	(1,284)	(852)		
8	Other Income / (Expense)	43	(427)	42	(354)	(465)		
9	Provision / write-off of debtors					1,180		
10	Profit / (Loss) before tax (7+8-9)	658	(925)	1,600	(1,638)	(2,497)		
11	Taxes	50	23	56	115	(287)		
12	Profit / (Loss) after tax (10-11)	608	(948)	1,544	(1,753)	(2,210)		
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					17,516		
17	Earnings per Share before extraordinary items for the period, for							
	the year to date and for the previous year (Rs) (not annualised)							
	Basic	1.37	(2.14)	3.49	(3.96)	(4.99)		
	Diluted	1.37	(2.12)	3.49	(3.92)	(4.89)		
18	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							
	Pledged / Encumbered							
	Number of Shares			2,000,000	2,500,000	2,500,000		
	Percentage of Shares (as a % of the total shareholding of			, , ,				
	promoter and promoter group)			62.42%	78.03%	78.03%		
	Percentage of Shares (as a % of the total share capital of the							
	Company)			4.52%	5.65%	5.65%		
b	Non - encumbered			1.5270	213370	2.2370		
1	Number of Shares			1,203,956	703,956	703,956		
	Percentage of Shares (as a % of the total shareholding of the			1,200,330	. 55,550	. 55,550		
	Promoter and Promoter group)			37.58%	21.97%	21.97%		
	Percentage of Shares (as a % of the total share capital of the			37.3070	22.5776	22.3770		
	Company)			2.72%	1.59%	1.59%		
Ь				2.72/0	1.55/0	1.55/0		

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Unaudited Financial Results for the 3rd Quarter and 9-month period ended 30 September 2010

Rs lakhs

2 Expenditure 548 a Personnel costs 548 b Operating Expenses 267 Total Expenditure 815 1 3 Operating Profit before Interest and Depreciation (1-2) 535 1 4 Depreciation and Amortisation 131 1 5 Operating Profit / (Loss) before Interest (3-4) 404 6 6 Finance cost 153 7 7 Operating Profit / (Loss) after Interest and Depreciation (5-6) 251 8 8 Other Income / (Expenses) 63 63 9 Exceptional items 10 Profit / (Loss) before tax (7+8-9) 314 10 Taxes 51 12 Profit / (Loss) after tax (10-11) 263 15 Paid-up Equity Share Capital (Rs.10 per share) 4,427 4 16 Reserve excluding Revaluation Reserves as per balance sheet of 4 4	d period ended 2009 30-Sep-2010 ited Unaudited ,599 4,345 950 1,616 351 765 ,301 2,381 ,298 1,964 305 399 993 1,565 355 518 638 1,047 (389) (324)	Unaudited 6,931 3,066 813 3,879 3,052 962 2,090 1,129 961	Previous accounting year ended 31-Dec-2009 Audited 8,870 3,540 1,062 4,602 4,268 1,428 2,840 1,337 1,503 (375) 1,173
30-Sep-2010 30-Sep-2010 30-Sep-2010 30-Sep-2010 30-Sep-2010 20-Sep-2010 30-Sep-2010 31-Sep-2010 31-Sep-2010	2009 30-Sep-2010 ited Unaudited ,599 4,345 950 1,616 351 765 ,301 2,381 ,298 1,964 305 399 993 1,565 355 518 638 1,047 (389) (324) 249 723	3,066 813 3,066 813 3,879 3,052 962 2,090 1,129 961 (296)	year ended 31-Dec-2009 Audited 8,870 3,540 1,062 4,602 4,268 1,428 2,840 1,337 1,503 (375) 1,173
1 Net Sales / Income from Operations 1,350 2 Expenditure a Personnel costs 548 b Operating Expenses 267 Total Expenditure 815 1 3 Operating Profit before Interest and Depreciation (1-2) 535 1 4 Depreciation and Amortisation 131 5 Operating Profit / (Loss) before Interest (3-4) 404 6 Finance cost 153 7 Operating Profit / (Loss) after Interest and Depreciation (5-6) 251 8 Other Income / (Expenses) 63 9 Exceptional items	1ted Unaudited 1,599 4,345 950 1,616 351 765 1,301 2,381 1,298 1,964 305 399 993 1,565 355 518 638 1,047 (389) (324)	Unaudited 6,931 3,066 813 3,879 3,052 962 2,090 1,129 961 (296)	31-Dec-2009 Audited 8,870 3,540 1,062 4,602 4,268 1,428 2,840 1,337 1,503 (375) 1,173
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2 Expenditure 548 a Personnel costs 548 b Operating Expenses 267 Total Expenditure 815 1 3 Operating Profit before Interest and Depreciation (1-2) 535 1 4 Depreciation and Amortisation 131 5 Operating Profit / (Loss) before Interest (3-4) 404 6 Finance cost 153 7 Operating Profit / (Loss) after Interest and Depreciation (5-6) 251 8 Other Income / (Expenses) 63 9 Exceptional items	950 1,616 351 765 ,301 2,381 ,298 1,964 305 399 993 1,565 355 518 638 1,047 (389) (324) 249 723	3,066 813 3,879 3,052 962 2,090 1,129 961 (296)	3,540 1,062 4,602 4,268 1,428 2,840 1,337 1,503 (375) 1,173
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Total Expenditure	,301 2,381 ,298 1,964 305 399 993 1,565 355 518 638 1,047 (389) (324	3,879 3,052 962 2,090 1,129 961 (296)	4,602 4,268 1,428 2,840 1,337 1,503 (375) 1,173
3 Operating Profit before Interest and Depreciation (1-2) 535 1 4 Depreciation and Amortisation 131 5 Operating Profit / (Loss) before Interest (3-4) 404 6 Finance cost 153 7 Operating Profit / (Loss) after Interest and Depreciation (5-6) 251 8 Other Income / (Expenses) 63 9 Exceptional items 10 Profit / (Loss) before tax (7+8-9) 314 10 Taxes 51 12 Profit / (Loss) after tax (10-11) 263 15 Paid-up Equity Share Capital (Rs.10 per share) 4,427 4 16 Reserve excluding Revaluation Reserves as per balance sheet of	,298 1,964 305 399 993 1,565 355 518 638 1,047 (389) (324)	3,052 962 2,090 1,129 961 (296)	4,268 1,428 2,840 1,337 1,503 (375) 1,173
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15 Paid-up Equity Share Capital (Rs.10 per share) 4,427 4 16 Reserve excluding Revaluation Reserves as per balance sheet of		113	(290)
16 Reserve excluding Revaluation Reserves as per balance sheet of	227 667	552	245
· · · · · · · · · · · · · · · · · · ·	,427 4,427	4,427	4,427
provious accounting year			
previous accounting year			15,108
17 Earnings per Share before extraordinary items for the period, for			
the year to date and for the previous year (Rs) (not annualised)			
Basic 0.60	0.52 1.51	1.25	0.55
Diluted 0.60	0.51 1.51	1.23	0.54
18 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	2,500,000	2,500,000
Percentage of Shares (as a % of the total shareholding of			
promoter and promoter group)	62.42%	78.03%	78.03%
Percentage of Shares (as a % of the total share capital of the			
Company)	4.52%	5.65%	5.65%
b Non - encumbered			
Number of Shares	1,203,956	703,956	703,956
Percentage of Shares (as a % of the total shareholding of the			
Promoter and Promoter group)	37.58%	21.97%	21.97%
Percentage of Shares (as a % of the total share capital of the			
Company)	2.72%	1.59%	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. Three 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 2 November 2010 after a review by the Audit Committee of the Company.
- 10 The company sought for and obtained approval of the members of the company through a postal ballot process, postal ballot results announced on 15 October 2010, for sale / disposal of the company's land and buildings (including furnishings and fittings) at Kundanbagh, Begumpet, Hyderabad and land at Vishakhapatnam.
- 11 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 and in stock exchange's website of both BSE and NSE viz., www.bseindia.com and www.nseindia.com
- 12 The following are the particulars of the company (on standalone basis):

	Particulars	Quarter ended	Quarter ended	9-month period ended	9-month	Previous accounting
	ratilitatais	ended	ended	periou enueu	periou enueu	year ended
		30-Sep-2010	30-Sep-2009	30-Sep-2010	30-Sep-2009	31-Dec-2009
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
а	Turnover	1,350	2,599	4,345	6,931	8,870
b	Profit / (Loss) before tax	314	249	723	665	(45)
С	Profit / (Loss) after tax	263	227	667	552	245

By Order of the Board for MEGASOFT LIMITED

Place: Chennai GV Kumar
Date: 2 November 2010 Managing Director