



Megasoft Limited

Registered Office: #85, Kutchery Road, Mylapore, Chennai, India - 600 004

Corporate Office: Block 'A' Wing 1, Level 5 & 6, Cyber Gateway, Madhapur, Hyderabad - 500081, Telangana, India.

Standalone & Consolidated Audited Financial Results For The Quarter and Year Ended on 31st March, 2016

CIN: L72200TN1999PLC042730, Phone: +91-44-24616768 Fax: +91-44-24617810, Email: investors@megasoft.com

Part I	Particulars	Standalone					(Rs.) In Lacs
		Quarter Ended on			Year Ended		Consolidated
		31/03/2016 (Audited)	31/12/2015 (Unaudited)	31/03/2015 (Audited)	31/03/2016 (Audited)	15 months ended 31/03/2015 (Audited)	31/03/2016 (Audited)
1	Income from operations						
	(a) Net Sales / Income From Operations (net of Excise Duty)	835.00	666.00	1,054.00	3,004.00	5,337.00	6568.00
	(b) Other Operating Income						
	Total Income from operations (net)	835.00	666.00	1,054.00	3,004.00	5,337.00	6568.00
2	Expenses						
	a) Cost of materials consumed	89.00	28.00	293.00	348.00	1,291.00	406.00
	b) Purchase of stock-in-trade						
	c) Changes in inventories of finished goods, work-in-progress and stock in trade						
	d) Employee benefits expenses	387.00	378.00	460.00	1,527.00	2,283.00	2607.00
	e) Depreciation and amortisation expense	16.00	17.00	48.00	64.00	304.00	670.00
	f) Other expenses	219.00	219.00	277.00	820.00	1,185.00	2001.00
	Total Expenditure	711.00	642.00	1,078.00	2,759.00	5,063.00	5,684.00
3	Profit /(Loss) from operations before other income, interest and exceptional item (1-2)	124.00	24.00	(24.00)	245.00	274.00	884.00
4	Other Income / (Loss)	24.00	18.00	78.00	85.00	70.00	82.00
5	Profit /(Loss) from ordinary activities before finance cost and exceptional items (3 + 4)	148.00	42.00	54.00	330.00	344.00	966.00
6	Finance costs	(69.00)	(57.00)	(58.00)	(240.00)	(316.00)	-787.00
7	Profit /(Loss) from ordinary activities after finance cost but before exceptional items (5 + 6)	79.00	(15.00)	(4.00)	90.00	28.00	179.00
8	Exceptional Items (Provision for Doubtful Debts)			(16.00)		(16.00)	
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	79.00	(15.00)	(20.00)	90.00	12.00	179.00
10	Tax expense	(77.00)	(17.00)	48.00	(48.00)	(50.00)	(48.00)
11	Net Profit / (Loss) from ordinary activities after tax (9 + 10)	2.00	(32.00)	28.00	42.00	62.00	131.00
12	Extraordinary items (net of tax exp)						
13	Net Profit / (Loss) for the period (11+12)	2.00	(32.00)	28.00	42.00	62.00	131.00
14	Share of profit / (loss) of associates*						
15	Minority interest *						
16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *	2.00	(32.00)	28.00	42.00	62.00	131.00
17	Paid-Up Equity Share Capital of Rs. 10 Each						
18	Reserve Excluding Revaluation Reserves as per Balance sheet of Previous accounting year	10,090.00	12,380.00	13,000.00	10,090.00	13,000.00	8359
19.i	Earnings per share (before extraordinary items) (of `10/- each) (not annualised):						
	(a) Basic	0.00	0.09	0.06	0.10	0.14	0.30
	(b) Diluted	0.00	0.09	0.06	0.09	0.13	0.28
19.ii	Earnings per share (after extraordinary items) (of `10/- each) (not annualised):						
	(a) Basic	0.00	0.09	0.06	0.10	0.14	0.30
	(b) Diluted	0.00	0.09	0.06	0.09	0.13	0.28

Date: 28.05.2016
Place: Hyderabad

For MEGASOFT LIMITED

CEO & Managing Director



Notes:

1. The above results were reviewed by the Audit / Risk & Compliance Committee and approved by the board of directors at their meeting on 28 May 2016.
2. Previous period figures have been regrouped, reclassified / rearranged wherever necessary to conform to current period's presentation. The results for the financial year ended 31 March 2016 are not directly comparable with the results for the period (15 months period, 1 January 2014 to 31 March 2015) ended 31 March 2015.
3. The Company's appeal to the CIT (Appeals) for assessment years 2006-07 to 2008-09 and 2010-11 to 2011-12 involving aggregate demand of Rs. 4160 lakhs, in respect of claim under section 10A of the Income Tax Act, 1961, has been decided in its favour. The Income Tax Authorities preferred an appeal before the Income Tax Appellate Tribunal against the decision.
4. The Auditors' reports on the financial results for the year ended on 31 March, 2016 contains qualification pertaining to adjustment of old bad debts against Reserves & Surplus.
5. Pursuant to the applicability of provisions of schedule-II of the Companies Act, 2013, the company has reassessed the estimated useful life of fixed assets. Accordingly, depreciation of Rs 1589 lakhs on account of assets whose useful life is exhausted on 1st April 2015 has been adjusted to opening results in terms of transitional provisions of the said schedule-II.
6. 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 not applicable.
7. The consolidated 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 (as amended). All inter-company accounts are eliminated on consolidation.
8. Pursuant to the provisions of the SEBI Listing Regulations, an extract of standalone & consolidated financial results is being published in the newspapers. The standalone and consolidated audited financial results will be made available on the company's website i.e. at <http://megasoftware.com/investor-services.html> and also on the websites of the stock exchanges i.e. www.bseindia.com and www.nseindia.com.

Date: 28.05.2016

Place: Hyderabad

For MEGASOFT LIMITED


GV Kurka
CEO & Managing Director



Statement of Assets and Liabilities (Standalone & Consolidated) as at 31 March 2016

S. NO.	PARTICULARS	STANDALONE		CONSOLIDATED	
		AS AT		AS AT	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
A.	EQUITY AND LIABILITIES				
1.	Shareholders' funds				
	(a) Share capital	442672930	442,672,930	442,672,930	442,672,930
	(b) Reserves and surplus	1009079626	1,300,044,931	835,921,276	1,255,685,091
	(c) Money received against share warrants	--	--	--	--
	Sub-total - Shareholders' funds	1,451,752,556	1,742,717,861	1,278,594,206	1,698,358,021
2.	Share application money pending allotment	--	--	--	--
3.	Minority interest *	--	--	--	--
4.	Non-current liabilities				
	(a) Long-term borrowings	--	66,378	--	66,378
	(b) Deferred tax liabilities (net)	--	--	--	--
	(c) Other long-term liabilities	--	--	--	--
	(d) Long-term provisions	15,632,632	14,426,140	15,632,632	14,426,140
	Sub-total - Non-current liabilities	15,632,632	14,492,518	15,632,632	14,492,518
5.	Current liabilities				
	(a) Short-term borrowings	167,071,096	167,557,670	980,975,779	935,546,786
	(b) Trade payables	146,616,902	136,251,490	318,815,949	274,795,604
	(c) Other current liabilities	24,753,796	26,317,930	213,097,174	191,331,778
	(d) Short-term provisions	9,152,288	7,854,449	9,140,426	7,927,771
	Sub-total - Current liabilities	347,594,082	337,981,539	1,522,029,328	1,409,601,939
	TOTAL - EQUITY AND LIABILITIES	1,814,979,270	2,095,191,918	2,816,256,166	3,122,452,478
B.	ASSETS				
1.	Non-current assets				
	(a) Fixed assets	605,330,322	471,478,880	921,584,256	909,618,809
	(b) Goodwill on consolidation *	--	--	1,015,750,000	1,015,750,000
	(c) Non-current investments	561,707,784	685,569,189	--	121,230,000
	(d) Deferred tax assets (net)	(2,903,642)	639,358	(2,893,914)	629,782
	(e) Long-term loans and advances	--	--	--	--
	(f) Other non current assets	--	--	--	--
	Sub-total - Non-current assets	1,164,134,464	1,157,687,427	1,934,440,342	2,047,228,591
2.	Current assets				
	(a) Current investments	--	--	--	--
	(b) Inventories	--	--	--	--
	(c) Trade receivables	327,490,644	607,626,714	650,119,106	877,831,246
	(d) Cash and cash equivalents	25,308,318	20,763,522	51,416,336	37,629,542
	(e) Short-term loans and advances	298,045,844	309,114,255	180,280,380	159,763,099
	(f) Other current assets	--	--	--	--
	Sub-total - Current Assets	650,844,806	937,504,491	881,815,822	1,075,223,887
	TOTAL - ASSETS	1,814,979,270	2,095,191,918	2,816,256,164	3,122,452,478

Date: 28.05.2016
Place: Hyderabad

For MEGASOFT LIMITED

G. V. Kumar
 CEO & Managing Director


Srikanth & Shanthi Associates

New No.17, Old No.9, 1st floor
Desika Road Chennai 600004
Tele/Fax: +91-44-24662419/42108419

TN Rajendran & Co.

New No.2, Old No.25, 1st Floor
Chengalvarayan Street, Shenoy Nagar
Chennai 600030 Tel: 91-44-26640640

Chartered Accountants

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of Megasoft Limited

We have audited the quarterly financial results of Megasoft Limited for the quarter ended 31 March 2016 and the year to date results for the period 1 April 2015 to 31 March 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

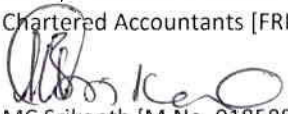
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit/ loss and other financial information for the quarter ended 31 March 2016 and the year to date results for the period 1 April 2015 to 31 March 2016, subject to:

a. In respect of Bad debts written off amounting to Rs. 28,02,11,164/- these have not been debited to the statement of profit & loss and have been directly adjusted against the opening general reserves which in our opinion is not in accordance with Accounting Standard " 5 Net Profit or loss for the period, prior period items and changes in accounting policies." Accordingly the statement of a profit & loss is been affected.

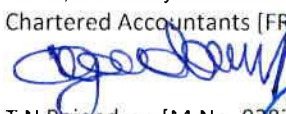
for M/s Srikanth & Shanthi Associates
Chartered Accountants [FRN 004006S]


MC Srikanth [M.No. 018588]
Partner

Place: Hyderabad
Date: 28 May, 2016



for M/s T N Rajendran & Co.
Chartered Accountants [FRN 005080S]


T N Rajendran [M.No. 078778]
Partner



Srikanth & Shanthi Associates

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Chartered Accountants

**Auditor's Report On Consolidated Quarterly Financial Results and Consolidated Year to Date
Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015**

To
Board of Directors of Megasoft Limited

We have audited the consolidated financial results of Megasoft Limited for the quarter ended 31 March 2016 and the consolidated year to date results for the period 1 April 2015 to 31 March 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), mandated under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India¹, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Three subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs.153.62 crs as at 31st March 2016 (year to date) and Rs.153.62 crs as at the quarter ended 31st March 2016 (date of quarter end); as well as the total revenue of Rs.50.81 crs as at 31st March 2016 and Rs. 18.01 crs as at the quarter ended as at 31st March 2016). These interim financial statements and other financial information have been audited by other auditors whose report(s) has been furnished to us, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.



Srikanth & Shanthi Associates

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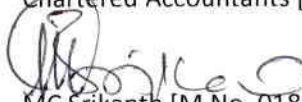
Chartered Accountants

In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the consolidated net profit/ loss and other financial information for the quarter ended 31 March 2016 and the consolidated year to date results for the period 1 April 2015 to 31 March 2016 subject to:

a. In respect of Bad debts written off amounting to Rs. 28,02,11,164/- these have not been debited to the statement of profit & loss and have been directly adjusted against the opening general reserves which in our opinion is not in accordance with Accounting Standard " 5 Net Profit or loss for the period, prior period items and changes in accounting policies." Accordingly the statement of a profit & loss is been affected.


for M/s Srikanth & Shanthi Associates
Chartered Accountants [FRN 004006S]


MC Srikanth [M.No. 018588]
Partner

Place: Hyderabad
Date: 28 May, 2016



for M/s T N Rajendran & Co.
Chartered Accountants [FRN 005080S]


T N Rajendran [M.No. 028778]
Partner



FORM B

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS

1	Name of the company	Megasoft Limited
2	Annual financial statements for the year ended	31st March 2016
3	Type of Audit observation	Qualified a) In respect of Bad debts written off amounting to Rs. 28,02,11,164/- these have not been debited to the statement of profit & loss and have been directly adjusted against the opening general reserves which in our opinion is not in accordance with Accounting Standard " 5 Net Profit or loss for the period, prior period items and changes in accounting policies." Accordingly the statement of a profit & loss is been affected.
4	Frequency of observation	First Time
5	Additional information by the Company	a) As the subject bad debts in question were pertaining to very old period and having no chances of recovery, being not related to the said financial year under consideration, have been adjusted directly against the profits generated in earlier years.



Anil Kumar Sood
Chairman - Audit/Risk & Compliance Committee




GV Kumar
CEO/Managing Director



For Megasoft Limited

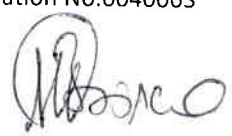


Shridhar Thathachary
Chief Financial Officer




for Srikanth & Shanthi Associates
Chartered Accountants
Firm Registration No.004006S

for TN Rajendran & Co.
Chartered Accountants
Firm Registration No.005080S



MC Srikanth
Partner
Membership No.018588

TN Rajendran
Partner
Membership No.028778



Place: Hyderabad
Date: 28 May 2016