

Megasoft plans XIUS R&D centre in Hyderabad

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MEGASOFT Ltd, the Chennai-based software services and products company, has sewn up plans to establish a XIUS R&D centre in Hyderabad focussing on telecom related research and is eyeing global expansion.

The Managing Director of Megasoft, Mr G.V. Kumar, said that the company has changed its business strategy in favour of a product and intellectual property led approach from pure services approach after the merger of XIUS

Towards this end, the company has decided to locate its R&D centre in Hyderabad for XIUS, which would host about 50 engineers.

Speaking to Business Line, Mr Kumar said that the predominantly IT services company has changed its approach to a services-cum-products mix. Consequently, last year 80 per cent of the total revenues were from services and 20 per cent from products. This R&D centre fits into the company move to lay special thrust on products. While the Hyderabad centre would focus on telecom related innovation, the Chennai centre would address biosciences research.

"While we had raised funds through a private placement from promoters and some Singapore-based strategic investors, and announced plans to invest about \$2 million in expansion this year, we are now in the process of considering raising more funds through additional placement.

Details of the new offer are being worked out and by the middle of this year we may achieve this. The additional funds, apart from helping in expansion plan, would also facilitate acquisition of companies with some specialised areas of focus," Mr Kumar said.

The company is also in the process of a major geographical expansion, covering West Asia, Latin America and Asia Pacific regions, where there is rapid growth in the telecom sector.