

## Megasoft to restructure as IP-driven technology firm

### Hyderabad, April 4, The New Indian Express

Chennai Based Megasoft Limited, a mid sized IT services company, is currently in the process of a strategic transition programme to restructure itself as a IP-driven technology solutions company.

G.V.Kumar, managing director and chief executive officer of Megasoft Limited, told 'Express' that as a step in this direction, the company acquired Hyderabad based XIUS Limited, an IP-led product company with domain expertise in telecom. The acquisition which was an all- stock deal was completed in September 2004.

"Post the merger with XIUS, Megasoft has restructured itself and going forward we expect most of the company's revenues would come from IP-driven technologies,"he added.

Kumar said that apart from focusing on the IT Consulting Services Megasoft will also look to add domain expertise in telecom and life sciences verticals.

The company which follows a January to December financial year recorded revenues of Rs.85 crore in 2004. Most of the contribution to the product business came from telecom which has shown an average quarter-on-quarter (QoQ) growth of 36 per cent.

Kumar said the Megasoft's revenue outlook for the current fiscal is around 120 crore and product business is expected to contribute 27 per cent to the total revenues as compared 20 per cent in 2004.

"In the next two-three years, the product business will contribute 50 per cent to the company's revenues and telecom will continue to remain the driver of the products business with a contribution of 60-70 per cent to that side of business" he added.

On the company's future plans he said that the company is looking at increasing its headcount by 25 per cent from the current 450 employees that it has across its three offices in Hyderabad, Chennai and Washington D.C.

The Chennai office, which takes care of the life sciences vertical employs around 140 people, while the Hyderabad office, which does telecom work, employs around 110 people. Megasoft also has sales offices in UK, Singapore and Malaysia and is evaluating opening sales offices in Africa and Dubai during 2005.

The company has added three new customers to the existing 27 in the telecom segment during the first quarter of the current year.