

Megasoft eyes \$30 million from mobile services

K RAJANI KANTH
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Megasoft, a product-based technology solutions company in the telecom and IT sectors, has said it expects its mobile services platform (MSP) to yield a business of anywhere between \$25 million and \$30 million (approximately Rs 120-Rs 144 crore) by December next year. Of this, India's realised revenue contribution could be about 15 per cent.

"Our focus now is on the growing Indian telecom space and we are looking at two clear market paths — mobile virtual network operators (MVNOs) and the new entrants that have been allotted spectrum," said G V Kumar, chief executive officer and managing director of the Chennai-based company. India will be going through new phases with almost 10 more players being allotted spectrum to the existing six. Besides, the gov-

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ernment is already talking about MVNOs, which hold a lot of promise, he said.

The company has already made three installations of its MSPs for MVNOs in Europe that were connected to Vodafone and one installation for Diemo, a GSM operator in Venezuela. The two companies are in the process of expanding to four more locations each in Europe and Latin America in the next 12 months.

"We are on the verge of forging a \$7-million deal with an MVNO in Asia-Pacific in a couple of weeks. The client is looking at entering India when the MVNO licensing pol-

icy is clear to one and all," Kumar told Business Standard.

The company's second thrust in India would be the MTT-eCognito platform that allows carriers to launch mobile banking, mobile wallet and microtransactions. Megasoft is currently running a pilot with Airtel, commercial operations of which are expected to begin in the next three to four months.

"We are in talks with two of the top three Tier-I carriers in Europe and three in Latin America. We expect to seal these deals by this December end. Negotiations are also on with five major players in India and we expect to bag at least two of them by March 2009," Kumar said.

Megasoft, which follows a January-to-December financial year, expects its telecom business to hit the Rs 400-crore mark in 2009. The division last year's revenues stood at Rs 144 crore.

"We are hopeful of achieving our targets, primarily on the back of the growing demand for our prepaid platform in the US. Prepaid is growing in the US and is set to double during the next one year, courtesy the credit crisis there. The acquisition of US-based Boston Communication Group in 2007, which brought in long-term contracts worth \$35 million (Rs 168 crore) that would run up to 2010, will also contribute significantly," he said.

The company's overall revenues this year are expected to be between Rs 380 crore and Rs 400 crore, as against Rs 297 crore in 2007. The IT services division's revenues will probably come down to Rs 140 crore this year, as against Rs 153 crore as it was leaving out small customers.

The scrip of Megasoft, which went public in 2001, closed on Thursday on BSE at Rs 33.55, up 0.60 per cent from its previous close. •