

MEGASOFT TO RAMP UP R&D HEADCOUNT

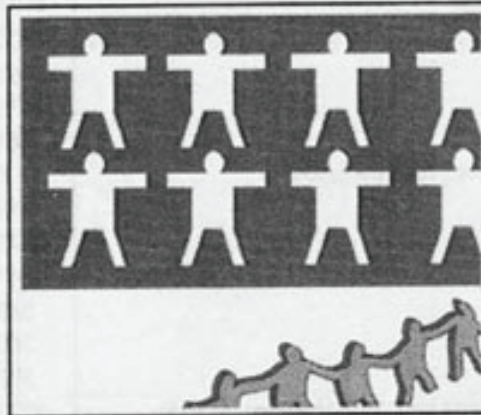
ITISHREE SAMAL
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Megasoft Limited, a product-based technology company, is planning to scale up its research and development (R&D) manpower by 40 per cent in the current financial year.

The company, which follows January-to-December financial year, is planning to take its R&D staff strength to 600 from the current 450 in the next three months. GV Kumar, managing director of Megasoftware, told *Business Standard*.

"We are in the middle of a huge recruitment drive and have recently tripled our sales team in the US," he said. Around 50 people are working with Megasoftware for its US operations.

The Hyderabad-based company recently signed two large carrier deals in Africa and in the US. "The deals will establish us in the market very quickly," he said, adding huge growth



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was expected to come from these two undisclosed deals.

US pre-paid market

Organically, Megasoftware is growing in a bigger way along with the increasing prepaid cellular customer base in the US. "We expect to reach 9.5-10 million subscribers by this year end from the 7 million base in the US. Last year, our market share in terms of revenue grew around 30 per cent under the pre-paid segment," he said.

Stating that only 20 million of the US customers currently use pre-paid service from the

90 million subscribers, he said this was expected to grow three times to reach 40-50 million by 2015.

According to him, many of the cellular companies in the US see pre-paid as a booming segment, and are accordingly developing new plans aimed at the international market.

"The sudden change is due to the downturn. The growing prepaid market in the US is a big growth driver for us," he said.

Around 24 carriers from the existing 300 players in the US use Megasoftware platform. "We are

getting a lot of enquiries from a number of small players, who do not have pre-paid. We hope to add another 10 carriers," he said.

The acquisition of US-based Boston Communications Group, Inc (BCGI) in 2007, he said, connected the company to all the US main chains and switching points through its data centre. "We in the process of upgrading the data centres, telecom networks, servers, and expanding our capacity to support the pre-paid boom."

The company has earmarked around \$6 million capex for data centres in the US, back-office work and for some new product initiatives.

Kumar said Megasoftware was focusing on growing organically. It is planning to expand its operations in the Asian market in the current year and would open a new branch in Delhi.

The company registered revenues of ₹ 43 crore and a net profit of ₹ 6 crore for the September quarter.