

MEGASOFT LIMITED

No.85, Kutchery Road, Mylapore, Chennai 600004


Unaudited Consolidated Financial Results for the 2nd Quarter and half year ended 30 June 2010

	Particulars	Quarter ended	Quarter ended	Half year ended	Half year ended	Previous accounting year ended
		30-Jun-2010	30-Jun-2009	30-Jun-2010	30-Jun-2009	31-Dec-2009
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	4,219	7,836	8,145	15,358	30,299
2	Expenditure					
a	Personnel costs	1,434	5,256	2,553	10,251	20,047
b	Operating Expenses	1,493	1,673	3,016	3,330	6,396
	Total Expenditure	2,927	6,929	5,569	13,581	26,443
3	Operating Profit before Interest and Depreciation (1-2)	1,292	907	2,576	1,777	3,856
4	Depreciation and Amortisation	395	594	787	1,278	2,427
5	Operating Profit before Interest (3-4)	897	313	1,789	499	1,429
6	Finance cost	417	665	846	1,285	2,281
7	Operating Profit / (Loss) after Interest and Depreciation (5-6)	480	(352)	943	(786)	(852)
8	Other Income / (Expense)	88	(443)	(1)	73	(465)
9	Provision / write-off of debtors	--	--	--	--	1,180
10	Profit / (Loss) before tax (7+8-9)	568	(795)	942	(713)	(2,497)
11	Taxes	49	22	6	92	(287)
12	Profit / (Loss) after tax (10-11)	519	(817)	936	(805)	(2,210)
15	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427	4,427
16	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					17,516
17	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)					
	Basic	1.18	(1.85)	2.12	(1.82)	(4.99)
	Diluted	1.15	(1.84)	2.07	(1.80)	(4.89)
18	Public Shareholding					
	Number of Shares			41,063,337	41,063,337	41,063,337
	Percentage of shareholding			92.76%	92.76%	92.76%
17	Promoters and Promoter Group Shareholding					
a	Pledged / Encumbered					
	Number of Shares			2,000,000	500,000	2,500,000
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)			62.42%	15.61%	78.03%
	Percentage of Shares (as a % of the total share capital of the Company)			4.52%	1.13%	5.65%
b	Non - encumbered					
	Number of Shares			1,203,956	2,703,956	703,956
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)			37.58%	84.39%	21.97%
	Percentage of Shares (as a % of the total share capital of the Company)			2.72%	6.11%	1.59%

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		30-Jun-2010	30-Jun-2009	30-Jun-2010	30-Jun-2009	31-Dec-2009
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	1,442	2,508	2,995	4,332	8,870
2	Expenditure					
a	Personnel costs	570	1,052	1,068	2,116	3,540
b	Operating Expenses	334	238	498	462	1,062
	Total Expenditure	904	1,290	1,566	2,578	4,602
3	Operating Profit before Interest and Depreciation (1-2)	538	1,218	1,429	1,754	4,268
4	Depreciation and Amortisation	129	306	268	657	1,428
5	Operating Profit / (Loss) before Interest (3-4)	409	912	1,161	1,097	2,840
6	Finance cost	152	428	365	774	1,337
7	Operating Profit / (Loss) after Interest and Depreciation (5-6)	257	484	796	323	1,503
8	Other Income / (Expenses)	59	(410)	(387)	93	(375)
9	Exceptional items	--	--	--	--	1,173
10	Profit / (Loss) before tax (7+8-9)	316	74	409	416	(45)
10	Taxes	49	21	5	91	(290)
12	Profit / (Loss) after tax (10-11)	267	53	404	325	245
15	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427	4,427
16	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					15,108
17	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)					
	Basic	0.60	0.12	0.91	0.73	0.55
	Diluted	0.59	0.11	0.89	0.72	0.54
18	Aggregate of public shareholding Number of Shares Percentage of holding (to total holding)			41,063,337 92.76%	41,063,337 92.76%	41,063,337 92.76%
17	Promoters and Promoter Group Shareholding					
a	Pledged / Encumbered Number of Shares Percentage of Shares (as a % of the total shareholding of promoter and promoter group)			2,000,000 62.42%	500,000 15.61%	2,500,000 78.03%
	Percentage of Shares (as a % of the total share capital of the Company)			4.52%	1.13%	5.65%
b	Non - encumbered Number of Shares Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)			1,203,956 37.58%	2,703,956 84.39%	703,956 21.97%
	Percentage of Shares (as a % of the total share capital of the Company)			2.72%	6.11%	1.59%

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Balance Sheet as at 30 June 2010

	Particulars	Standalone			Consolidated		
		30-Jun-2010	30-Jun-2009	31-Dec-2009	30-Jun-2010	30-Jun-2009	31-Dec-2009
		Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	SOURCES OF FUNDS						
	Shareholders' Funds						
	Capital	4,427	4,427	4,427	4,427	4,427	4,427
	Reserves & Surplus	15,521	27,660	15,108	18,726	30,492	17,516
	Loan Funds	4,250	8,941	5,400	17,812	23,794	19,718
	Deferred tax liabilities (net)	--	185	--	--	185	--
	Total	24,198	41,213	24,935	40,965	58,898	41,661
	APPLICATION OF FUNDS						
	Fixed Assets	12,596	13,839	12,816	17,459	15,730	18,150
	Goodwill on consolidation				10,158	10,433	10,158
	Investments	1,302	2,915	1,302	1,212	1,212	1,212
	Deferred tax asset (net)	262	--	217	262	--	217
	Current Assets, Loans & Advances						
	Sundry Debtors	5,988	21,933	6,862	6,887	26,425	9,141
	Cash & Bank balances	889	171	906	2,455	754	2,656
	Loans & Advances	4,929	4,752	4,554	6,616	11,192	6,264
		11,806	26,856	12,322	15,958	38,371	18,061
	Less: Current Liabilities & Provisions						
	Current Liabilities	794	1,244	798	3,088	5,671	5,191
	Provisions	974	1,153	924	996	1,177	946
		1,768	2,397	1,722	4,084	6,848	6,137
	Net Current Assets	10,038	24,459	10,600	11,874	31,523	11,924
	Miscellaneous Expenditure (to the extent not written-off or adjusted)	--	--	--	--	--	--
	Total	24,198	41,213	24,935	40,965	58,898	41,661

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**Notes :**

- 1 The 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, of the provisions of the Companies Act, 1956. All material inter-company accounts are eliminated on consolidation.
- 2 Previous period figures have been regrouped, reclassified / rearranged wherever necessary to conform to current period's presentation. Current period figures are without IT Services ('BlueAlly') Division subsequent to its divestment, w.e.f. 1 October 2009, and hence are not comparable.
- 3 Subsequent to this divestment, 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 no longer applicable.
- 4 Other income / (expenses) include Net Exchange gain / (loss) during the period / year.
- 5 Provision for taxation includes current tax and deferred tax.
- 6 Provision for current taxation has been made in accordance with Section 115JB of the Income Tax Act, 1961.
- 7 No investor complaints were pending either at the beginning or at the end of the quarter. Two complaints were received and resolved during the quarter.
- 8 The Statutory Auditors have carried out a 'Limited Review' of the Company's results in terms of clause 41 of the Listing Agreement with the Stock Exchanges. The Balance Sheet as at 30 June 2009 have not been reviewed by the Auditors as it was not a statutory requirement then.
- 9 These results were taken on record by the Board of Directors at their Meeting held on 6 August 2010 after a review by the Audit Committee of the Company.
- 10 As per clause 41 of the Listing Agreement, the company has opted to publish Consolidated Financial Results. The standalone financial results of Megasoft Limited have been submitted to the stock exchanges and are available for perusal in the company's website at www.megasoft.com and in stock exchange's website of both BSE and NSE viz., www.bseindia.com and www.nseindia.com
- 11 The following are the particulars of the company (on standalone basis):

	Particulars	Quarter ended	Quarter ended	Half year ended	Half year ended	Previous accounting year ended
		30-Jun-2010	30-Jun-2009	30-Jun-2010	30-Jun-2009	31-Dec-2009
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
a	Turnover	1,442	2,508	2,995	4,332	8,870
b	Profit / (Loss) before tax	316	74	409	416	(45)
c	Profit / (Loss) after tax	267	53	404	325	245

By Order of the Board
for MEGASOFT LIMITED

Place: Hyderabad
Date: 6 August 2010

GV Kumar
Managing Director