


MEGASOFT LIMITED

No.85, Kutchery Road, Mylapore, Chennai 600004

Consolidated Financial Results for the quarter and year ended 31 December 2013

Rs lakhs

	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Previous year ended
		31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
		Audited	Unaudited	Audited	Audited	Audited
1	Net Sales / Income from Operations	2,885	2,434	2,938	10,551	11,540
2	Expenditure					
a	Cost of materials consumed	809	48	138	857	138
b	Employee benefits expense	933	963	1,071	3,868	5,047
c	Depreciation and Amortisation expense	292	319	306	1,187	1,233
d	Other Expenses	507	862	1,125	3,191	4,186
	Total Expenditure	2,541	2,192	2,640	9,103	10,604
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	344	242	298	1,448	936
4	Other Income / (Expense)	278	15	119	346	306
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	622	257	417	1,794	1,242
6	Finance cost	199	231	323	1,119	1,058
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	423	26	94	675	184
8	Exceptional Items					
	Provision / write-off of debtors	380	—	20	380	20
9	Profit from ordinary activities before tax (7 - 8)	43	26	74	295	164
10	Taxes	19	—	45	24	47
11	Profit after tax (9 - 10)	24	26	29	271	117
12	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427	4,427
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				16,632	16,958
14	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)					
	Basic	0.05	0.06	0.07	0.61	0.26
	Diluted	0.05	0.06	0.06	0.58	0.25
PART II - Select information for the quarter ended 31 December 2013						
A PARTICULARS OF SHARE HOLDING						
1	Public Shareholding					
	Number of Shares	41,063,337	41,063,337	41,063,337	41,063,337	41,063,337
	Percentage of shareholding	92.76%	92.76%	92.76%	92.76%	92.76%
2	Promoters and Promoter Group Shareholding					
a	Pledged / Encumbered					
	Number of Shares	—	—	941,870	—	941,870
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	29.40%	0.00%	29.40%
	Percentage of Shares (as a % of the total share capital of the Company)	0.00%	0.00%	2.13%	0.00%	2.13%
b	Non - encumbered					
	Number of Shares	3,203,956	3,203,956	2,262,086	3,203,956	2,262,086
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	70.60%	100.00%	70.60%
	Percentage of Shares (as a % of the total share capital of the Company)	7.24%	7.24%	5.11%	7.24%	5.11%
B INVESTORS COMPLAINTS				Three Months ended 31 December 2013		
Pending at the beginning of the Quarter				0		
Received during the Quarter				3		
Disposed during the Quarter				3		
Remaining unresolved at the end of the Quarter				0		


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Standalone Financial Results for the quarter and year ended 31 December 2013

Rs lakhs

	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Previous year ended
		31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
		Audited	Unaudited	Audited	Audited	Audited
1	Net Sales / Income from Operations	1,753	1,208	1,135	5,062	4,616
2	Expenditure					
a	Cost of materials consumed	688	48	138	736	138
b	Employee benefits expense	420	830	737	2,499	2,902
c	Depreciation and Amortisation expense	94	62	82	277	340
d	Other Expenses	225	170	228	737	1,031
	Total Expenditure	1,427	1,110	1,185	4,249	4,411
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1 - 2)	326	98	(50)	813	205
4	Other Income / (Expense)	266	67	108	361	310
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	592	165	58	1,174	515
6	Finance cost	98	121	165	542	335
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	494	44	(107)	632	180
8	Exceptional Items					
	Provision / write-off of debtors	320	--	20	320	20
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	174	44	(127)	312	160
10	Taxes	15	--	40	21	42
11	Profit / (Loss) after tax (9 - 10)	159	44	(167)	291	118
13	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427	4,427
14	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				12,940	12,649
15	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)					
	Basic	0.36	0.10	(0.38)	0.66	0.27
	Diluted	0.34	0.09	(0.36)	0.62	0.26
PART II - Select information for the quarter ended 31 December 2013						
A	PARTICULARS OF SHARE HOLDING					
1	Public Shareholding					
	Number of Shares	41,063,337	41,063,337	41,063,337	41,063,337	41,063,337
	Percentage of holding (to total holding)	92.76%	92.76%	92.76%	92.76%	92.76%
2	Promoters and Promoter Group Shareholding					
a	Pledged / Encumbered					
	Number of Shares	--	--	941,870	--	941,870
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	29.40%	0.00%	29.40%
	Percentage of Shares (as a % of the total share capital of the Company)	0.00%	0.00%	2.13%	0.00%	2.13%
b	Non - encumbered					
	Number of Shares	3,203,956	3,203,956	2,262,086	3,203,956	2,262,086
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	70.60%	100.00%	70.60%
	Percentage of Shares (as a % of the total share capital of the Company)	7.24%	7.24%	5.11%	7.24%	5.11%
B	INVESTORS COMPLAINTS					
				Three Months ended 31 December 2013		
Pending at the beginning of the Quarter				0		
Received during the Quarter				3		
Disposed during the Quarter				3		
Remaining unresolved at the end of the Quarter				0		



MEGASOFT LIMITED

No.85, Kutchery Road, Mylapore, Chennai 600004

Statement of Assets and Liabilities - Consolidated		Rs lakhs	
		31-Dec-2013	31-Dec-2012
Particulars		Audited	Audited
EQUITY AND LIABILITIES			
1	Shareholders' Funds		
a	Share Capital	4,427	4,427
b	Reserves & Surplus	16,632	16,958
	Sub-total - Shareholders' funds	21,059	21,385
2	Non-Current liabilities		
a	Long-term borrowings	11	22
b	Deferred tax liability (net)	35	54
c	Long-term provisions	123	126
	Sub-total - Non-current liabilities	169	202
3	Current liabilities		
a	Short-term borrowings	7,203	9,083
b	Trade payables	2,793	1,705
c	Other current liabilities	3,491	3,279
d	Short-term provisions	416	373
	Sub-total - Current liabilities	13,903	14,440
	TOTAL - EQUITY AND LIABILITIES	35,131	36,027
ASSETS			
1	Non-current Assets		
a	Fixed Assets	10,314	10,760
b	Goodwill on consolidation	10,158	10,158
c	Non-current investments	1,212	1,212
	Sub-total - Non-current assets	21,684	22,130
2	Current Assets		
a	Sundry Debtors	6,613	6,488
b	Cash & Bank balances	1,021	1,951
c	Loans & Advances	5,813	5,458
	Sub-total - Current assets	13,447	13,897
	TOTAL - ASSETS	35,131	36,027

Note: Reserves & Surplus is nett-off foreign currency translation reserve of (Rs 595 lakhs) for the current period



MEGASOFT LIMITED

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Statement of Assets and Liabilities - Standalone		Rs lakhs	
		31-Dec-2013	31-Dec-2012
Particulars		Audited	Audited
EQUITY AND LIABILITIES			
1	Shareholders' Funds		
a	Share Capital	4,427	4,427
b	Reserves & Surplus	12,940	12,649
	Sub-total - Shareholders' funds	17,367	17,076
2	Non-Current liabilities		
a	Long-term borrowings	11	22
b	Deferred tax liability (net)	35	54
c	Long-term provisions	123	126
	Sub-total - Non-current liabilities	169	202
3	Current liabilities		
a	Short-term borrowings	1,651	4,170
b	Trade payables	416	95
c	Other current liabilities	315	414
d	Short-term provisions	413	373
	Sub-total - Current liabilities	2,795	5,052
TOTAL - EQUITY AND LIABILITIES		20,331	22,330
ASSETS			
1	Non-current Assets		
a	Fixed Assets	4,933	5,126
b	Non-current investments	6,856	6,856
	Sub-total - Non-current assets	11,789	11,982
2	Current Assets		
a	Sundry Debtors	4,179	5,468
b	Cash & Bank balances	516	201
c	Loans & Advances	3,847	4,679
	Sub-total - Current assets	8,542	10,348
TOTAL - ASSETS		20,331	22,330



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Notes :

- 1 These results were taken on record by the Board of Directors at their Meeting held on 22 February 2014 after a review by the Audit Committee of the Company.
- 2 The standalone financial results of Megasoft Limited have been submitted to the stock exchanges and are available for perusal in the company website at www.megasoft.com and in stock exchange's website of both BSE and NSE viz., www.bseindia.com and www.nseindia.com
- 3 Previous period figures have been regrouped, reclassified / rearranged wherever necessary to conform to current period's presentation.
- 4 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 & 2013. All material inter-company accounts are eliminated on consolidation.
- 5 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 not applicable.
- 6 Other income / (expenses) include Net Exchange gain / (loss) during the period / year.
- 7 Taxes include current tax and deferred tax.
- 8 The company has appealed against the order of the Income-tax authorities in respect of certain additions resulting in a demand of Rs 231.37 million. Based on the advise of the external legal counsel and the Appeal filed, no provision is considered necessary in the financial statements.
- 9 The statutory auditors have qualified in the annexure to the Independent Auditors' Report in respect of delayed remittance of monthly statutory dues in certain months and delayed repayment of monthly instalments to a bank during the year. However, as on the date of the balance sheet, all dues in this regard were settled. This has no impact on the financial results of the company.
- 10 The following are the particulars of the company (on standalone basis):

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Previous year ended
	31-Dec-2013	30-Sep-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
	Audited	Unaudited	Audited	Audited	Audited
a Turnover	1,753	1,208	1,135	5,062	4,616
b Profit / (Loss) before tax	174	44	(127)	312	160
c Profit / (Loss) after tax	159	44	(167)	291	118

- 11 The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

Place: Hyderabad
Date: 22 February 2014

By Order of the Board
for MEGASOFT LIMITED

G.V. Kumar
Managing Director

Srikanth & Shanthi Associates

New No.54, Old No.103, 1st floor
PS Sivasamy Salai, Mylapore
Chennai 600004
Tele/Fax: +91-44-24662419/42108419

TN Rajendran & Co.

New No.2, Old No.25, 1st Floor
Chengalvarayan Street, Shenoy Nagar
Chennai 600030
Tel: 91-44-26640640

Auditor's Report On Quarterly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of Megasoft Limited

We have audited the quarterly consolidated financial results of Megasoft Limited for the quarter ended 31 December 2013 and the consolidated year to date results for the period 1 January 2013 to 31 December 2013, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

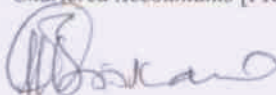
We did not audit the financial statements of the subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs 1031 million as at 31 December 2013 and Rs 1031 million as at the quarter ended 31 December 2013; as well as the total revenue of Rs 549 million as at 31 December 2013 and Rs 113 million as at the quarter ended 31 December 2013. These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:

- (i) include the quarterly financial results and year to date of the following entities;
 - (a) Megasoft Consultants Sdn Bhd, Malaysia
 - (b) Megasoft Consultants Pte Ltd, Singapore
 - (c) XIUS Holding Corp (f/k/a Boston Communications Group, Inc.), USA
 - (d) Xius Corp (f/k/a Cellular Express, Inc.), USA
 - (e) BCGI Wireless Private Limited, India
- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended 31 December 2013 as well as the consolidated year to date results for the period from 1 January 2013 to 31 December 2013.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

for Srikanth & Shanthi Associates
Chartered Accountants [FRN 004006S]



MC Srikanth [M.No.018588]
Partner

Place: Hyderabad
Date: 22 February 2014



for TN Rajendran & Co.
Chartered Accountants [FRN 005080S]



TN Rajendran [M.No.028778]
Partner

Srikanth & Shanthi Associates
New No.54, Old No.103, 1st floor
PS Sivasamy Salai, Mylapore
Chennai 600004
Tele/Fax: +91-44-24662419/42108419

TN Rajendran & Co.
New No.2, Old No.25, 1st Floor
Chengalvarayan Street, Shenoy Nagar
Chennai 600030
Tel: 91-44-26640640

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of Megasoft Limited

We have audited the quarterly financial results of Megasoft Limited for the quarter ended 31 December 2013 and the year to date results for the period 1 January 2013 to 31 December 2013, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

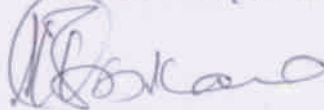
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31 December 2013 as well as the year to date results for the period from 1 January 2013 to 31 December 2013.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

for Srikanth & Shanthi Associates
Chartered Accountants [FRN 004006S]



MC Srikanth [M.No.018588]
Partner

Place: Hyderabad
Date: 22 February 2014



for TN Rajendran & Co.
Chartered Accountants [FRN 005080S]



TN Rajendran [M.No.028778]
Partner