



MEGASOFT LIMITED

85, Kutchery Road, Mylapore

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www.megasoft.com

9 November 2011

Bombay Stock Exchange Limited	Madras Stock Exchange Limited	National Stock Exchange of India Limited
Phiroze Jeejee Bhoy Towers	Exchange Building	Exchange Plaza
Dalal Street	Post Box No.183	Bandra-Kurla Complex, Bandra(E)
Fort	No.11, Second Line Beach	<u>Mumbai 400051</u>
<u>Mumbai 400001</u>	<u>Chennai 600001</u>	

Dear Sirs

Sub: Unaudited Financial Results for Q3 & 9-month period of 2011

Please find enclosed the Unaudited Financial results of the Company for the 3rd quarter and 9-month period ended 30 September 2011, in accordance with Clause 41 of the Listing Agreement. These results were taken on record at the Meeting of the Board of Directors of the Company held today.

We request you to take the same on record and acknowledge.

Thanking you

Very truly yours
MEGASOFT LIMITED

GP Srinath
Company Secretary

MEGASOFT LIMITED

No.85, Kutchery Road, Mylapore, Chennai 600004


Unaudited Consolidated Financial Results for the 3rd Quarter and 9-month period ended 30 September 2011

Rs lakhs

	Particulars	Quarter ended	Quarter ended	9-month period ended	9-month period ended	Previous accounting year ended
		30-Sep-2011	30-Sep-2010	30-Sep-2011	30-Sep-2010	31-Dec-2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	3,444	4,285	11,463	12,430	16,791
2	Expenditure					
a	Personnel costs	1,391	1,281	4,316	3,891	5,425
b	Operating Expenses	1,284	1,644	3,900	4,603	6,021
	Total Expenditure	2,675	2,925	8,216	8,494	11,446
3	Operating Profit before Interest and Depreciation (1-2)	769	1,360	3,247	3,936	5,345
4	Depreciation and Amortisation	298	339	931	1,126	1,434
5	Operating Profit before Interest (3-4)	471	1,021	2,316	2,810	3,911
6	Finance cost	213	406	733	1,252	1,515
7	Operating Profit after Interest and Depreciation (5-6)	258	615	1,583	1,558	2,396
8	Other Income / (Expense)	60	43	29	42	139
9	Provision / write-off of debtors	--	--	103	--	391
10	Profit before tax (7+8-9)	318	658	1,509	1,600	2,144
11	Taxes	15	50	33	56	(27)
12	Profit after tax (10-11)	303	608	1,476	1,544	2,171
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					16,294
17	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)					
	Basic	0.69	1.37	3.33	3.49	4.90
	Diluted	0.67	1.37	3.27	3.49	4.90
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	941,870	2,000,000	941,870	2,000,000	1,971,870
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	29.40%	62.42%	29.40%	62.42%	61.54%
	Percentage of Shares (as a % of the total share capital of the Company)	2.13%	4.52%	2.13%	4.52%	4.45%
b	Non - encumbered					
	Number of Shares	2,262,086	1,203,956	2,262,086	1,203,956	1,232,086
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	70.60%	37.58%	70.60%	37.58%	38.46%
	Percentage of Shares (as a % of the total share capital of the Company)	5.11%	2.72%	5.11%	2.72%	2.78%

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Unaudited Financial Results for the 3rd Quarter and 9-month period ended 30 September 2011

Rs lakhs

	Particulars	Quarter ended	Quarter ended	9-month period ended	9-month period ended	Previous accounting year ended
		30-Sep-2011	30-Sep-2010	30-Sep-2011	30-Sep-2010	31-Dec-2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	1,143	1,350	3,788	4,345	6,239
2	Expenditure					
a	Personnel costs	811	571	2,495	1,696	2,977
b	Operating Expenses	162	244	455	685	855
	Total Expenditure	973	815	2,950	2,381	3,832
3	Operating Profit before Interest and Depreciation (1-2)	170	535	838	1,964	2,407
4	Depreciation and Amortisation	98	131	315	399	567
5	Operating Profit before Interest (3-4)	72	404	523	1,565	1,840
6	Finance cost	63	153	232	518	702
7	Operating Profit after Interest and Depreciation (5-6)	9	251	291	1,047	1,138
8	Other Income / (Expenses)	43	63	28	(324)	(245)
9	Provision / write-off of debtors	--	--	103	--	391
10	Profit before tax (7+8-9)	52	314	216	723	502
10	Taxes	15	51	33	56	(28)
12	Profit after tax (10-11)	37	263	183	667	530
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					11,978
17	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)					
	Basic	0.09	0.60	0.41	1.51	1.20
	Diluted	0.08	0.60	0.41	1.51	1.20
18	Aggregate of public shareholding					
	Number of Shares			41,063,337	41,063,337	41,063,337
	Percentage of holding (to total holding)			92.76%	92.76%	92.76%
17	Promoters and Promoter Group Shareholding					
a	Pledged / Encumbered					
	Number of Shares	941,870	2,000,000	941,870	2,000,000	1,971,870
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	29.40%	62.42%	29.40%	62.42%	61.54%
	Percentage of Shares (as a % of the total share capital of the Company)	2.13%	4.52%	2.13%	4.52%	4.45%
b	Non - encumbered					
	Number of Shares	2,262,086	1,203,956	2,262,086	1,203,956	1,232,086
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	70.60%	37.58%	70.60%	37.58%	38.46%
	Percentage of Shares (as a % of the total share capital of the Company)	5.11%	2.72%	5.11%	2.72%	2.78%

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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 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.
- 3 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.
- 4 One of the largest customers of the company has not renewed the contract, resulting in drop in revenues.
- 5 Other income / (expenses) include Net Exchange gain / (loss) during the period / year.
- 6 Taxes include current tax and deferred tax.
- 7 Provision for current taxation has been made in terms of the provisions of the Income Tax Act, 1961.
- 8 No investor complaints were pending either at the beginning or at the end of the quarter. Three complaints were received and resolved during the quarter.
- 9 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.
- 10 These results were taken on record by the Board of Directors at their Meeting held on 9 November 2011 after a review by the Audit Committee of the Company.
- 11 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
- 12 The following are the particulars of the company (on standalone basis):

		<i>Rs lakhs</i>				
	Particulars	Quarter ended	Quarter ended	9-month period ended	9-month period ended	Previous accounting year ended
		30-Sep-2011	30-Sep-2010	30-Sep-2011	30-Sep-2010	31-Dec-2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
a	Turnover	1,143	1,350	3,788	4,345	6,239
b	Profit before tax	52	314	216	723	502
c	Profit after tax	37	263	183	667	530

By Order of the Board
for MEGASOFT LIMITED

GV Kumar
Managing Director

Place: Chennai
Date: 9 November 2011