



MEGASOFT LIMITED

Megasoft Towers

6-3-1192/2/1

Kundanbagh, Begumpet

Hyderabad - 500 016. India.

Tel : +91(40) 4033 0000

Fax : +91(40) 4013 3555

www.megasoft.com

CIN: L72200TN1999PLC042730

May 13, 2014

BSE Limited

Phiroze Jeejee Bhoy Towers
Dalal Street
Fort
Mumbai 400001

Madras Stock Exchange Limited

Exchange Building
Post Box No.183
No.11, Second Line Beach
Chennai 600001

National Stock Exchange of India Limited

Exchange Plaza
Bandra-Kurla Complex, Bandra(E)
Mumbai 400051

Dear Sirs

Sub: Unaudited Financial Results for Q1 of 2014

Please find enclosed the Unaudited Financial results of the Company and the Group for the financial year ended 31 March 2014, pursuant to 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.

In this connection, we enclose the "Limited Review Report" of the joint Statutory Auditors of our Company, M/s Srikanth & Shanthi Associates and M/s TN Rajendran & Co., Chartered Accountants, for your records.

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

Thanking you

Very truly yours

MEGASOFT LIMITED

GP Srinath

Company Secretary



MEGASOFT LIMITED [CIN: L72200TN1999PLC042730]

No.85, Kutchery Road, Mylapore, Chennai 600004, www.megasoft.com

PART I - Statement of Consolidated Unaudited results for the quarter ended 31 March 2014					Rs lakhs
Sl No	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
		31-Mar-2014	31-Dec-2013	31-Mar-2013	31-Dec-2013
		Unaudited	Audited	Unaudited	Audited
1	Net Sales / Income from Operations	2,405	2,885	2,680	10,551
2	Expenditure				
a	Cost of materials consumed	631	809	--	857
b	Employee benefits expense	733	933	994	3,868
c	Depreciation and Amortisation expense	286	292	307	1,187
d	Other Expenses	485	507	921	3,191
	Total Expenditure	2,135	2,541	2,222	9,103
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	270	344	458	1,448
4	Other Income / (Expense)	(25)	278	(27)	346
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	245	622	431	1,794
6	Finance cost	225	199	349	1,119
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	20	423	82	675
8	Exceptional Items				
	Provision / write-off of debtors	--	380	--	380
9	Profit from ordinary activities before tax (7 + 8)	20	43	82	295
10	Taxes	9	19	2	24
11	Profit after tax (10-11)	11	24	80	271
12	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				16,632
14	Earnings per Share before / after extraordinary items (Rs) (not annualised)				
	Basic	0.02	0.05	0.18	0.61
	Diluted	0.02	0.05	0.18	0.58
PART II - Select information for the quarter ended 31 March 2014					
A	PARTICULARS OF SHARE HOLDING				
1	Public Shareholding				
	Number of Shares	41,063,337	41,063,337	41,063,337	41,063,337
	Percentage of shareholding	92.76%	92.76%	92.76%	92.76%
2	Promoters and Promoter Group Shareholding				
a	Pledged / Encumbered				
	Number of Shares	--	--	941,870	--
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	29.40%	0.00%
	Percentage of Shares (as a % of the total share capital of the Company)	0.00%	0.00%	2.13%	0.00%
b	Non - encumbered				
	Number of Shares	3,203,956	3,203,956	2,262,086	3,203,956
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	70.60%	100.00%
	Percentage of Shares (as a % of the total share capital of the Company)	7.24%	7.24%	5.11%	7.24%
B	INVESTORS COMPLAINTS	Three Months ended 31 March 2014			
	Pending at the beginning of the Quarter	0			
	Received during the Quarter	3			
	Disposed during the Quarter	2			
	Remaining unresolved at the end of the Quarter	1			



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PART I - Statement of Standalone Unaudited results for the quarter ended 31 March 2014					Rs lakhs
Sl No	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
		31-Mar-2014	31-Dec-2013	31-Mar-2013	31-Dec-2013
		Unaudited	Audited	Unaudited	Audited
1	Net Sales / Income from Operations	1,421	1,753	1,144	5,062
2	Expenditure				
a	Cost of materials consumed	614	688	--	736
b	Employee benefits expense	419	420	635	2,499
c	Depreciation and Amortisation expense	77	94	82	277
d	Other Expenses	200	225	181	737
	Total Expenditure	1,310	1,427	898	4,249
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	111	326	246	813
4	Other Income / (Expenses)	(26)	266	(27)	361
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	85	592	219	1,174
6	Finance cost	61	98	190	542
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	24	494	29	632
8	Exceptional Items				
	Provision / write-off of debtors	--	320	--	320
9	Profit from ordinary activities before tax (7 - 8)	24	174	29	312
10	Taxes	9	15	2	21
11	Profit after tax (9 - 10)	15	159	27	291
12	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				12,940
14	Earnings per Share before / after extraordinary items (Rs) (not annualised)				
	Basic	0.03	0.36	0.06	0.66
	Diluted	0.03	0.34	0.06	0.62
PART II - Select information for the quarter ended 31 March 2014					
A	PARTICULARS OF SHARE HOLDING				
1	Public Shareholding				
	Number of Shares	41,063,337	41,063,337	41,063,337	41,063,337
	Percentage of shareholding	92.76%	92.76%	92.76%	92.76%
2	Promoters and Promoter Group Shareholding				
a	Pledged / Encumbered				
	Number of Shares	--	--	941,870	--
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	29.40%	0.00%
	Percentage of Shares (as a % of the total share capital of the Company)	0.00%	0.00%	2.13%	0.00%
b	Non - encumbered				
	Number of Shares	3,203,956	3,203,956	2,262,086	3,203,956
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	70.60%	100.00%
	Percentage of Shares (as a % of the total share capital of the Company)	7.24%	7.24%	5.11%	7.24%
B	INVESTORS COMPLAINTS	Three Months ended 31 March 2014			
	Pending at the beginning of the Quarter	0			
	Received during the Quarter	3			
	Disposed during the Quarter	2			
	Remaining unresolved at the end of the Quarter	1			



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Notes :

- 1 These results were taken on record by the Board of Directors at their Meeting held on 13 May 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 on 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
- 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 Orders of the Income-tax authorities in respect of certain additions resulting in demand of Rs 332.76 million. Based on the advise of the external legal counsel and the Appeals filed, no provision is considered necessary in the financial statements.
- 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 The following are the particulars of the company (on standalone basis):

		<i>Rs lakhs</i>			
	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
		31-Mar-2014	31-Dec-2013	31-Mar-2013	31-Dec-2013
		Unaudited	Audited	Unaudited	Audited
a	Turnover	1,421	1,753	1,144	5,062
b	Profit before tax	24	174	29	312
c	Profit after tax	15	159	27	291

By Order of the Board
for MEGASOFT LIMITED

GV Kumar
Managing Director

Place: Hyderabad
Date: 13 May 2014

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

Chartered Accountants

To
The Board of Directors
Megasoft Limited
85, Kutchery Road
Mylapore
Chennai 600004

Dear Sirs

Sub: Review Report

We have reviewed the accompanying statement of unaudited financial results of **Megasoft Limited**, for the 1st quarter ended 31st March 2014 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. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / Audit committee of the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



MC Srikanth [M.No.018588]
Partner

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



TN Rajendran [M.No.028778]
Partner

Place: Hyderabad
Date: 13 May 2014

