



MEGASOFT LIMITED

CIN: L72200TN1999PLC042730

85, Kutchery Road, Mylapore
Chennai - 600 004.

Tel: +91 (44) 2461 6768

Fax: +91 (44) 2461 7810

www.megasoft.com

13 February 2015

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 Q4 & 12-month period ended 31-Dec-2014

Please find enclosed the Unaudited Financial results of the Company and the Group for the quarter and 12-month period ended 31 December 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 take the same on record and acknowledge.

Thanking you

Very truly yours
MEGASOFT LIMITED

GP Srinath
Company Secretary

PART I - Statement of Consolidated Unaudited results for the quarter and twelve months period ended 31 December 2014						Rs lakhs
Sl No	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Previous year ended
		31-Dec-2014	30-Sep-2014	31-Dec-2013	31-Dec-2014	31-Dec-2013
		Unaudited	Unaudited	Audited	Unaudited	Audited
1	Net Sales / Income from Operations	1,605	2,061	2,885	8,150	10,551
2	Expenditure					
a	Cost of materials consumed	24	325	809	1,104	857
b	Employee benefits expense	759	660	933	2,944	3,868
c	Depreciation and Amortisation expense	273	280	292	1,153	1,187
d	Other Expenses	473	493	507	2,031	3,191
	Total Expenditure	1,529	1,758	2,541	7,232	9,103
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	76	303	344	918	1,448
4	Other Income / (Expense)	36	(2)	278	3	346
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	112	301	622	921	1,794
6	Finance cost	275	266	199	1,007	1,119
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	(163)	35	423	(86)	675
8	Exceptional Items					
	Provision / write-off of debtors	--	--	380	--	380
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(163)	35	43	(86)	295
10	Taxes	--	(1)	19	(2)	24
11	Profit / (Loss) after tax (9 - 10)	(163)	36	24	(84)	271
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
14	Earnings per Share before / after extraordinary items (Rs) (not annualised)					
	Basic	(0.37)	0.08	0.05	(0.19)	0.61
	Diluted	(0.35)	0.08	0.05	(0.18)	0.58
PART II - Select information for the quarter ended 31 December 2014						
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	--	--	--	--	--
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	--	--	--	--	--
	Percentage of Shares (as a % of the total share capital of the Company)	--	--	--	--	--
b	Non - encumbered					
	Number of Shares	3,203,956	3,203,956	3,203,956	3,203,956	3,203,956
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of Shares (as a % of the total share capital of the Company)	7.24%	7.24%	7.24%	7.24%	7.24%

B INVESTORS COMPLAINTS		Three Months ended 31 December 2014
Pending at the beginning of the Quarter		0
Received during the Quarter		1
Disposed during the Quarter		1
Remaining unresolved at the end of the Quarter		0



Statement of Consolidated Assets and Liabilities		Rs lakhs	
	Particulars	31-Dec-2014	31-Dec-2013
		Unaudited	Audited
	Equity and Liabilities		
1	Shareholders' Funds		
a	Share Capital	4,427	4,427
b	Reserves & Surplus	16,338	16,632
		20,765	21,059
2	Non-Current liabilities		
a	Long-term borrowings	--	11
b	Deferred tax liability (net)	23	35
c	Long-term provisions	123	123
		146	169
3	Current liabilities		
a	Short-term borrowings	9,464	7,203
b	Trade payables	1,598	2,793
c	Other current liabilities	1,865	3,491
d	Short-term provisions	423	416
		13,350	13,903
	Total	34,261	35,131
	ASSETS		
1	Non-current Assets		
a	Fixed Assets	9,305	10,314
b	Goodwill on consolidation	10,158	10,158
c	Non-current investments	1,212	1,212
		20,675	21,684
2	Current Assets		
a	Sundry Debtors	7,352	6,613
b	Cash & Bank balances	267	1,021
c	Loans & Advances	5,967	5,813
		13,586	13,447
	Total	34,261	35,131



Notes :

- 1 The above results were reviewed by the Audit / Risk & Compliance Committee on 13 February 2015, and approved by the board of directors at their meeting on 13 February 2015 and have undergone a "Limited Review" by the statutory auditors of the company. The figures of the corresponding quarter ended 31 December 2013 as reported in the financial results are the balancing figures between the audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The review report of the statutory auditors are being filed with the stock exchanges and is also available on the company's website at www.megasoft.com
- 2 The board of directors vide resolution dated 14 November 2014 have approved change of the financial year of the company from January-December to April-March, effective 1 April 2015. In view of this, the current financial year will be for a period of 15 months i.e. 1 January 2014 to 31 March 2015.
- 3 Previous period figures have been regrouped, reclassified / rearranged wherever necessary to conform to current period's presentation.
- 4 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.
- 5 Other income / (expenses) include Net Exchange gain / (loss) during the period / year.
- 6 Taxes include current tax and deferred tax.
- 7 The company has appealed against the Orders of the Income-tax authorities in respect of certain additions resulting in demand of Rs 162.80 million. Based on the advice of the external legal counsel and the Appeals filed, no provision is considered necessary in the financial statements.
- 8 The consolidated 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 (as amended). All inter-company accounts are eliminated on consolidation.
- 9 Pursuant to the provisions of the Listing Agreement, the management has decided to publish consolidated financial results in the newspapers. However, the standalone unaudited financial results will be made available on the company's website at www.megasoft.com and also on the websites of the stock exchanges.

Information of standalone unaudited financial results in terms of clause 41(VI)(b) of the Listing Agreement is under:

	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Previous year ended
		31-Dec-2014	30-Sep-2014	31-Dec-2013	31-Dec-2014	31-Dec-2013
		Unaudited	Unaudited	Audited	Unaudited	Audited
a	Turnover	756	1,023	1,753	4,283	5,062
b	Profit / (Loss) before tax	(26)	17	174	32	312
c	Profit / (Loss) after tax	(26)	18	159	34	291

By Order of the Board
for MEGASOFT LIMITED

GV Kumar
Managing Director

Place: Chennai
Date: 13 February 2015

PART I - Statement of Unaudited results for the quarter and twelve months period ended 31 December 2014					
Sl No	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Rs lakhs
		31-Dec-2014	30-Sep-2014	31-Dec-2013	Year to date figures for current period ended
		Unaudited	Unaudited	Audited	31-Dec-2014 Unaudited
1	Net Sales / Income from Operations	756	1,023	1,753	4,283
2	Expenditure				
a	Cost of materials consumed	23	322	688	998
b	Employee benefits expense	507	383	420	1,969
c	Depreciation and Amortisation expense	43	57	94	256
d	Other Expenses	172	174	225	762
	Total Expenditure	745	936	1,427	3,985
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	11	87	326	298
4	Other Income / (Expense)	30	(3)	266	(8)
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	41	84	592	290
6	Finance cost	67	67	98	258
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	(26)	17	494	32
8	Exceptional Items				
	Provision / write-off of debtors	--	--	320	--
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(26)	17	174	32
10	Taxes	--	(1)	15	(2)
11	Profit / (Loss) after tax (9 - 10)	(26)	18	159	34
15	Paid-up Equity Share Capital (Rs.10 per share)	4,427	4,427	4,427	4,427
16	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				
					12,940
17	Earnings per Share before extraordinary items for the period, for the year to date and for the previous year (Rs) (not annualised)				
	Basic	(0.06)	0.04	0.36	0.08
	Diluted	(0.06)	0.04	0.34	0.07
PART II - Select information for the quarter ended 31 December 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	--	--	--	--
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	--	--	--	--
	Percentage of Shares (as a % of the total share capital of the Company)	--	--	--	--
b	Non - encumbered				
	Number of Shares	3,203,956	3,203,956	3,203,956	3,203,956
	Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	100.00%	100.00%
	Percentage of Shares (as a % of the total share capital of the Company)	7.24%	7.24%	7.24%	7.24%
B INVESTORS COMPLAINTS					
		Three Months ended 31 December 2014			
Pending at the beginning of the Quarter		0			
Received during the Quarter		1			
Disposed during the Quarter		1			
Remaining unresolved at the end of the Quarter		0			



Statement of Assets and Liabilities		Rs lakhs	
	Particulars	31-Dec-2014	31-Dec-2013
		Unaudited	Audited
	Equity and Liabilities		
1	Shareholders' Funds		
a	Share Capital	4,427	4,427
b	Reserves & Surplus	12,973	12,940
		17,400	17,367
2	Non-Current liabilities		
a	Long-term borrowings	--	11
b	Deferred tax liability (net)	23	35
c	Long-term provisions	123	123
		146	169
3	Current liabilities		
a	Short-term borrowings	1,693	1,651
b	Trade payables	280	416
c	Other current liabilities	255	315
d	Short-term provisions	423	413
		2,651	2,795
	Total	20,197	20,331
	ASSETS		
1	Non-current Assets		
a	Fixed Assets	4,717	4,933
b	Goodwill on consolidation		
c	Non-current investments	6,856	6,856
		11,573	11,789
2	Current Assets		
a	Sundry Debtors	5,294	4,179
b	Cash & Bank balances	128	516
c	Loans & Advances	3,202	3,847
		8,624	8,542
	Total	20,197	20,331



Notes :

- 1 The above results were reviewed by the Audit / Risk & Compliance Committee on 13 February 2015, and approved by the board of directors at their meeting on 13 February 2015 and have undergone a "Limited Review" by the statutory auditors of the company. The figures of the corresponding quarter ended 31 December 2013 as reported in the financial results are the balancing figures between the audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The review report of the statutory auditors are being filed with the stock exchanges and is also available on the company's website at www.megasoft.com
- 2 The board of directors vide resolution dated 14 November 2014 have approved change of the financial year of the company from January-December to April-March, effective 1 April 2015. In view of this, the current financial year will be for a period of 15 months i.e. 1 January 2014 to 31 March 2015.
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- 8 The company has appealed against the Orders of the Income-tax authorities in respect of certain additions resulting in demand of Rs 162.80 million. Based on the advice of the external legal counsel and the Appeals filed, no provision is considered necessary in the financial statements.

By Order of the Board
for MEGASOFT LIMITED

GV Kumar
Managing Director

Place: Chennai
Date: 13 February 2015

Srikanth & Shanthi Associates

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

TN Rajendran & Co.

New No.2, Old No.25, 1st Floor
Chengalvarayan Street, Shenoy Nagar
Chennai 600030
Tel: 91-44-26640640
email: tnr500@gmail.com

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 4th quarter and twelve month period ended 31st December 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.

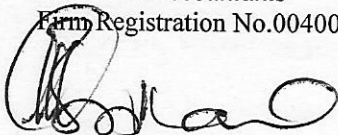
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial 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

Firm Registration No.004006S



MC Srikanth

Partner

Membership No.18588



Place: Chennai

Date: 13 February 2015

for **TN Rajendran & Co.**

Chartered Accountants

Firm Registration No.005080S



TN Rajendran

Partner

Membership No.28778