

MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2008

(Rs. in Lakhs except per share data)

		Quarter ended 31 March		Year ended 31 March	
		2008	2007	2008	2007
		Audited	Audited	Audited	Audited
1	Net Sales/Income from Operations	651.94	589.76	2,361.64	2,645.38
2	Other Income	15.32	26.70	76.41	128.54
3	Total Income (1+2)	667.26	616.46	2,438.05	2,773.92
4	Expenditure				
	a. Increase/ decrease in stock in trade and work in progress	43.16	(19.60)	3.71	(35.40)
	b. Consumption of raw materials	0.00	0.00	0.00	0.00
	c. Purchase of traded goods	261.38	268.76	1,054.17	1,183.33
	d. Employee cost	288.79	238.53	1,156.95	912.67
	e. Depreciation	103.16	85.53	340.94	270.74
	f. Other expenditure	283.49	250.21	956.70	797.79
	g.Total	979.98	823.43	3,512.47	3,129.13
5	Interest	0.00	0.00	0.00	0.00
6	Exceptional items	0.00	0.00	24.65	0.00
7	Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)	(312.72)	(206.97)	(1,099.07)	(355.21)
8	Tax Expense	1.55	1.67	4.34	3.29
9	Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)	(314.27)	(208.64)	(1,103.41)	(358.50)
10	Extraordinary / Prior Period Items	0.32	(17.21)	(38.87)	(39.34)
11	Net Profit (+) / Loss (-) for the period (9-10)	(314.59)	(191.43)	(1,064.54)	(319.16)
12	Paid-up equity share Capital (Face value Rs. 10/- each)	4,338.55	4,338.35	4,338.55	4,338.35
13	Reserves excluding revaluation reserves	NA	NA	6,508.79	6,617.33
14	Earnings Per Share (Not Annualised) Rs.				
	a) Before Extraordinary and Prior Period Items				
	Basic	(0.73)	(0.48)	(2.54)	(0.83)
	Diluted	(0.73)	(0.48)	(2.54)	(0.83)
	a) After Extraordinary and Prior Period Items				
	Basic	(0.73)	(0.44)	(2.45)	(0.74)
	Diluted	(0.73)	(0.44)	(2.45)	(0.74)
15	Public shareholding				
	No. of Shares	34,457,620	32,642,312	34,457,620	32,642,312
	% of Shareholding	79.42%	75.24%	79.42%	75.24%

Notes:

The above results are after consolidating the results of the Company with its wholly owned subsidiary MosChip Semiconductor Technology,USA

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2008

(Rs. in Lakhs except per share data)

		Quarter ended 31 March		Year ended 31 March	
		2008	2007	2008	2007
		Audited	Audited	Audited	Audited
1	Net Sales/Income from Operations	118.75	216.30	614.77	520.91
2	Other Income	13.25	18.51	57.91	104.65
3	Total Income (1+2)	132.00	234.81	672.68	625.56
4	Expenditure				
	a. Increase/ decrease in stock in trade and work in progress	0.00	0.00	0.00	0.00
	b. Consumption of raw materials	0.00	0.00	0.00	0.00
	c. Purchase of traded goods	0.00	0.00	0.00	0.00
	d. Employee cost	218.61	179.49	892.06	671.24
	e. Depreciation	28.50	49.10	128.62	149.91
	f. Other expenditure	148.05	139.41	567.62	433.57
	g.Total	395.16	368.00	1,588.30	1,254.72
5	Interest	0.00	0.00	0.00	0.00
6	Exceptional items	0.00	0.00	24.65	0.00
7	Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)	(263.16)	(133.19)	(940.27)	(629.16)
8	Tax Expense	1.55	1.67	4.34	3.29
9	Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)	(264.71)	(134.86)	(944.61)	(632.45)
10	Extraordinary / Prior Period Items	0.32	(17.22)	(38.87)	(39.34)
11	Net Profit (+) / Loss (-) for the period (9-10)	(265.03)	(117.64)	(905.74)	(593.11)
12	Paid-up equity share Capital (Face value Rs. 10/- each)	4,338.55	4,338.35	4,338.55	4,338.35
13	Reserves excluding revaluation reserves	NA	NA	6,659.09	6,658.75
14	Earnings Per Share (Not Annualised) Rs.				
	a) Before Extraordinary and Prior Period Items				
	Basic	(0.61)	(0.31)	(2.18)	(1.46)
	Diluted	(0.61)	(0.31)	(2.18)	(1.46)
	a) After Extraordinary and Prior Period Items				
	Basic	(0.61)	(0.27)	(2.09)	(1.37)
	Diluted	(0.61)	(0.27)	(2.09)	(1.37)
15	Public shareholding				
	No. of Shares	34,457,620	32,642,312	34,457,620	32,642,312
	% of Shareholding	79.42%	75.24%	79.42%	75.24%

Notes:

a) MosChip Semiconductor Technology, USA (MosChip USA) is a wholly owned subsidiary of the Company. MosChip USA has reported total revenue of US \$ 1,654,102 for the quarter ended 31 March 2008. Consolidated total income for the quarter was Rs.667.26 lakhs..

b) The Company's business activity falls within a single primary business segment i.e., software development and hence furnishing of segment wise revenue, results and capital employed is not applicable.

c) Qualification in audit report for the year ended 31 March 2008 and Board's opinion :

The Company has made a total investment of Rs. 375,579,087/- in its wholly owned unlisted subsidiary Company MosChip Semiconductor Technology, USA (formerly NetMosTechnology Inc, USA). The investment is being carried at cost. The difference between the investment amount of Rs. 375,579,087/- and the networth amount of Rs. 113,928,333/- of MosChip Semiconductor Technology, USA, at book value, as on 31 March 2008 has not been charged to the Profit and loss account.

The Board is of the opinion that the difference between the investment amount and the networth amount of MosChip Semiconductor Technology, USA, at book value, as on 31 March 2008 is not a reflection in the diminution of the value of the investment. The fair market value of MosChip USA, which is based on expected future cash flows over several years and other intangible assets (intellectual property developed and owned by it, the international distribution network, customer base, foundry relationships, etc.), is much higher than its networth at book value. The book value does not capture the real intrinsic worth of an investment. The decline in fair market value of investment in MosChip USA, if any, is temporary in nature and hence no provision has been made in the books of accounts.

d) If the Company were to write off the difference as indicated in the audit qualification referred to in para (c) above the net loss would have been higher by Rs.261,650,754/-

e) The Company has accumulated losses of Rs.580,871,051/- as on 31 March 2008.

f) Other Income includes interest on term deposits with banks and capital gains on mutual funds debt schemes

g) Details of investor's complaints/requests for the quarter ended 31 March 2008: Pending as on 01 January 2008: Nil; Received during the quarter: 01; Disposed off during the quarter: 01; Pending at the end of the quarter: Nil.

h) The above Audited results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 30 June 2008.

i) The Statutory Auditors have audited the results of the Company for the quarter and year ended 31 March 2008. The results of the subsidiary for the year ended 31 March 2008 have been audited by Forney Accountancy Corporation, USA.

j) Previous quarter/year figures have been regrouped / reclassified wherever necessary.

Hyderabad
30 June 2008

K.Ramachandra Reddy
Chairman & CEO