

**MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED**

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2009**

		(Rs. In Lakhs)				
		Quarter ended 31 December		Nine months ended 31 December		Year ended 31 March
		2009	2008	2009	2008	2009
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/Income from Operations	731.41	651.86	2,044.35	2,119.31	2,705.97
2	Other Income	0.21	0.35	21.63	44.51	44.73
3	<b>Total Income (1+2)</b>	<b>731.62</b>	<b>652.21</b>	<b>2,065.98</b>	<b>2,163.82</b>	<b>2,750.70</b>
4	Expenditure					
	a. Increase/ decrease in stock in trade and work in progress	83.49	129.72	(19.88)	(223.24)	362.57
	b. Consumption of raw materials	0.00	0.00			0.00
	c. Purchase of traded goods	313.79	188.27	1,092.98	1,250.61	981.33
	d. Employee cost	232.00	395.74	821.37	1,166.22	1,493.44
	e. Depreciation	149.18	110.92	376.14	321.29	438.37
	f. Other expenditure	178.05	202.43	633.12	762.30	946.91
	g.Total	956.51	1,027.08	2,903.73	3,277.18	4,222.62
5	Interest	40.40	3.50	111.90	3.50	56.32
6	Exceptional items	0.00	0.00	40.62	0.00	0.00
7	<b>Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)</b>	<b>(265.29)</b>	<b>(378.37)</b>	<b>(990.27)</b>	<b>(1,116.86)</b>	<b>(1,528.24)</b>
8	Tax Expense	0.00	0.79	0.00	2.61	3.80
9	<b>Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)</b>	<b>(265.29)</b>	<b>(379.16)</b>	<b>(990.27)</b>	<b>(1,119.47)</b>	<b>(1,532.04)</b>
10	Extraordinary / Prior Period Items	0.02	0.01	0.10	(0.05)	(0.05)
11	<b>Net Profit (+) / Loss (-) for the period (9-10)</b>	<b>(265.31)</b>	<b>(379.17)</b>	<b>(990.37)</b>	<b>(1,119.42)</b>	<b>(1,531.99)</b>
12	Paid-up equity share Capital (Face value Rs. 10/- each)	4,603.55	4,338.55	4,603.55	4,338.55	4,338.55
13	Reserves excluding revaluation reserves	NA	NA	NA	NA	6,724.26
14	Earnings Per Share (Not Annualised) Rs.					
	a) Before Extraordinary and Prior Period Items					
	Basic	(0.60)	(0.87)	(2.27)	(2.58)	(3.53)
	Diluted	(0.60)	(0.87)	(2.27)	(2.58)	(3.53)
	a) After Extraordinary and Prior Period Items					
	Basic	(0.60)	(0.87)	(2.27)	(2.58)	(3.53)
	Diluted	(0.60)	(0.87)	(2.27)	(2.58)	(3.53)
15	Public shareholding					
	No. of Shares	37,150,620	34,511,120	37,150,620	34,511,120	34,511,120
	% of Shareholding	80.70%	79.55%	80.70%	79.55%	79.55%
16	Promoters and Promoter group shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	Nil	-	Nil	-	Nil
	- Percentage of Share (as a % of the total shareholding of promoter and promoter group)	Nil	-	Nil	-	Nil
	b) Non-encumbered					
	- Number of Shares	8,884,897	-	8,884,897	-	8,874,397
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	-	100	-	100
	- Percentage of shares (as a % of the total share capital of the company)	19.30%	-	19.30%	-	20.45%

**Notes:**

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2009

(Rs. In Lakhs)

		Quarter ended 31		Nine months ended 31		Year ended 31
		December		December		March
		2009	2008	2009	2008	2009
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/Income from Operations	319.70	229.24	1,237.51	528.56	1,040.73
2	Other Income	0.42	0.21	1.64	13.35	13.56
3	<b>Total Income (1+2)</b>	<b>320.12</b>	<b>229.45</b>	<b>1,239.15</b>	<b>541.91</b>	<b>1,054.29</b>
4	Expenditure					
	a. Increase/ decrease in stock in trade and work in progress	0.00	0.00	0.00	0.00	0.00
	b. Consumption of raw materials	0.00	0.00	0.00	0.00	0.00
	c. Purchase of traded goods	215.01	57.59	815.83	57.59	369.86
	d. Employee cost	173.15	234.72	570.63	717.79	933.09
	e. Depreciation	29.10	28.61	87.59	86.80	114.28
	f. Other expenditure	128.26	86.35	400.22	331.63	435.32
	g.Total	545.52	407.27	1,874.27	1,193.81	1,852.55
5	Interest	29.91	3.50	72.77	3.50	14.75
6	Exceptional items	0.00	0.00	0.00	(0.05)	0.00
7	<b>Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)</b>	<b>(255.31)</b>	<b>(181.32)</b>	<b>(707.89)</b>	<b>(655.35)</b>	<b>(813.01)</b>
8	Tax Expense	0.00	0.79	0.00	2.60	3.79
9	<b>Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)</b>	<b>(255.31)</b>	<b>(182.11)</b>	<b>(707.89)</b>	<b>(657.95)</b>	<b>(816.80)</b>
10	Extraordinary / Prior Period Items	0.02	0.01	0.11	0.00	(0.05)
11	<b>Net Profit (+) / Loss (-) for the period (9-10)</b>	<b>(255.33)</b>	<b>(182.12)</b>	<b>(708.00)</b>	<b>(657.95)</b>	<b>(816.75)</b>
12	Paid-up equity share Capital (Face value Rs. 10/- each)	4,603.55	4,338.55	4,603.55	4,338.55	4,338.55
13	Reserves excluding revaluation reserves	NA	NA	NA	NA	6,659.09
14	Earnings Per Share (Not Annualised) Rs.					
	a) Before Extraordinary and Prior Period Items					
	Basic	(0.58)	(0.42)	(1.62)	(1.52)	(1.88)
	Diluted	(0.58)	(0.42)	(1.62)	(1.52)	(1.88)
	a) After Extraordinary and Prior Period Items					
	Basic	(0.58)	(0.42)	(1.62)	(1.52)	(1.88)
	Diluted	(0.58)	(0.42)	(1.62)	(1.52)	(1.88)
15	Public shareholding					
	No. of Shares	37,150,620	34,511,120	37,150,620	34,511,120	34,511,120
	% of Shareholding	80.70%	79.55%	80.70%	79.55%	79.55%
16	Promoters and Promoter group shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	Nil	-	Nil	-	Nil
	- Percentage of Share (as a % of the total shareholding of promoter and promoter group)	Nil	-	Nil	-	Nil
	b) Non-encumbered					
	- Number of Shares	8,884,897	-	8,884,897	-	8,874,397
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	-	100	-	100
	- Percentage of shares (as a % of the total share capital of the company)	19.30%	-	19.30%	-	20.45%

**Notes:**

- 1) MosChip Semiconductor Technology, USA (MosChip USA) is a wholly owned subsidiary of the Company. MosChip USA has reported total revenue of US \$ 1,568,536 for the quarter ended 31 December 2009. Consolidated total income for the quarter was Rs.731.62 lakhs..
- 2) 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.
- 3) Qualification in audit report for the year ended 31 March 2009 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. 55,257,399/- of MosChip Semiconductor Technology, USA, at book value, as on 31 March 2009 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 2009 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.
- 4) If the Company were to write off the difference as indicated in the audit qualification referred to in para (3) above the net loss would have been higher by Rs.320,321,688/-
- 5) The Company has accumulated losses of Rs.662,545,955/- as on 31 March 2009.
- 6) Other Income includes interest on term deposits with banks and capital gains on mutual funds debt schemes
- 7) Details of investor's complaints/requests for the quarter ended 31 December 2009: Opening Balance : Nil ; Received during the quarter: ONE; Disposed off during the quarter: ONE; Pending at the end of the quarter: Nil.
- 8) The above Un Audited results were reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 28 January 2010.
- 9) The Statutory Auditors have carried out a limited review of the Un-audited financial results of the Company (Standalone) for the quarter ended 31 December 2009.
- 10) Previous quarter/year figures have been regrouped / reclassified wherever necessary.

Hyderabad  
28 January 2010

C.Dayakar Reddy  
Managing Director