

4S FOUR SOFT LIMITED

Registered Office: 5Q1 A3, Cyber Towers, Hitec City, Madhapur, Hyderabad - 500 003.

Consolidated Financial Results For The Quarter And Year Ended March 31, 2006

(Rs. in Lakhs)

		Quarter ended		Year ended		
		31.12.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Net Sales/Income from Operations	5,583.12	3,432.90	577.42	9,016.02	2,032.91
2.	Other Income	205.99	267.60	41.67	473.59	133.02
3.	Total expenditure:		-			
	a) Increase/decrease in stock in Trade	-	-	-	-	-
	b) Consumption of raw materials	-	-	-	-	-
	c) Staff Cost	3,922.97	1,893.06	344.35	5,816.02	915.62
	d) Bad Debt	-	2.77	8.21	2.77	9.30
	e) Travelling Expenditure	317.70	423.74	84.18	741.44	221.83
	f) Other Expenditure	915.57	719.87	206.73	1,635.44	426.47
4.	Interest	128.36	127.76	-	256.13	-
5.	Depreciation	137.97	86.94	30.74	224.91	83.35
6.	Profit (+)/ Loss (-) before tax (1+2-3-4-5)	366.53	446.35	(55.12)	812.89	509.36
7.	Provision for Taxation	80.37	104.42	57.15	184.79	94.77
8.	Net Profit (+)/ (-) (6-7)	286.16	341.94	(112.27)	628.10	414.59
9.	Paid-up equity share capital (Face value of Rs.5/- each)	1,764.88	1,764.88	1,545.35	1,764.88	1,545.35
10.	Reserves excluding revaluation reserves (as per balance sheet) of previous year to be given in column (5)	-	-	-	5,750.00	2,769.65
11.	Basic for the year to date and for the previous year (not to be annualised)	0.86	1.03	(0.37)	1.90	1.35
	Diluted EPS	0.85	1.02	(0.36)	1.87	1.33

SEGMENT REPORTING AS PER AS-17

(Rs. in Lakhs)

Particulars	Year Ended	
	31st March, 2006	31st March, 2005
1. Segment Revenue		
a) India	2,186.85	1,593.42
b) Europe	6,415.25	439.49
c) USA	1,045.57	320.50
d) Rest of the world	386.78	-
Total	10,034.45	2,353.41
Less: Inter Segment Revenue	1,018.44	320.50
Net Revenue from Operations	9,016.02	2,032.91
2. Segment Results (profit / (Loss) before Tax, Interest from each segment		
a) India	235.26	198.70
b) Europe	685.70	130.55
c) USA	(188.49)	47.08
d) Rest of the world	(169.69)	-
Total	562.79	376.33
3. Other Income	505.12	133.02
Less:		
i) Interest	255.02	-
Total Profit Before Tax	812.89	509.36
3. Capital employed		
a) India	6,037.40	3,398.68
b) Europe	1,748.70	956.38
c) USA	266.72	82.25
d) Rest of the world	(213.83)	-

Audited Financial Results For The Year Ended March 31, 2006

(Rs. in Lakhs)

		Three months ended		Year ended		
		31.12.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1.	Net Sales/Income from Operations	1,083.29	1,103.56	369.84	2,186.85	1,594.33
2.	Other Income	114.33	94.81	26.36	209.14	117.38
3.	Total expenditure:					
	a) Increase/decrease in stock in Trade	-	-	-	-	-
	b) Consumption of raw materials	-	-	-	-	-
	c) Staff Cost	699.28	359.95	174.67	1,059.23	512.62
	d) Bad Debt	-	-	8.21	-	9.30
	e) Travelling Expenditure	133.91	92.45	71.23	226.36	180.74
	f) Implementation expenses	148.02	(6.05)	(122.54)	141.97	316.49
	f) Exchange rate fluctuation loss/(gain)	(84.40)	40.02	(5.89)	(44.38)	20.61
	g) Provision for Bad and Doubtful Debts	90.44	0.00	-	90.44	17.83
	i) Other Expenditure	219.70	97.67	140.01	317.37	260.63
4.	Interest	-	1.13	-	1.13	-
5.	Depreciation	69.89	45.19	28.64	115.08	76.50
6.	Profit (+)/ Loss (-) before tax (1+2-3-4-5)	(79.22)	568.01	101.87	488.79	317.00
7.	Provision for Taxation	35.18	34.62	15.58	69.80	34.40
8.	Net Profit (+)/ (-) (6-7)	(114.40)	533.38	86.29	418.98	282.61
9.	Paid-up equity share capital (Face value of Rs 5 each)	1,764.88	1,764.88	1,545.35	1,764.88	1,545.35
10.	Reserves excluding revaluation reserves (as per balance sheet) of previous year to be given in column (5)	-	-	-	5,326.89	2,616.59
11.	Basic and diluted EPS for the year to date and for the previous year (not to be annualised)	(0.35)	1.61	0.28	1.26	0.92
	Diluted EPS	(0.34)	1.58	0.28	1.24	0.91
12.	Aggregate of non-promoter shareholding					
	- Number of shares	23,412,153	23,365,614	16,408,550	23,365,614	16,408,550
	- Percentage of shareholding	64.71	64.59	51.49	64.59	51.49

Notes:

- The above financial results have been reviewed by the Audit Committee, considered and approved by the Board of Directors at its meeting held on June 15, 2006.
- The Board of Directors have recommended a dividend of Re. 0.75 per share, subject to the approval of shareholders at the general meeting.
- There were 13 complaints received from investors during the quarter and have been resolved. There were no complaints outstanding at the beginning or end of the quarter.
- Pending Utilisation as at 31st March' 2006, the balance of preferential issue proceeds of Rs. 8.66 Crs. have been invested in fixed deposits and mutual funds.
- There is a exchange rate loss of Rs. 40.02 Lacs and Rs. 52.53 Lacs towards employee compensation expenses during the quarter.
- The consolidated financial statements of Four Soft Limited (Four Soft) and its wholly owned foreign subsidiaries are prepared in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. All significant intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.
- The results of business entities, which have been consolidated, with the results of Four Soft, include subsidiaries as on March 31, 2006 Four Soft LLC, USA, and Four Soft BV, The Netherlands and from September 2, 2005, its subsidiaries (Four Soft NL BV, Four Soft UK Ltd, Four Soft USA Inc., Four Soft Germany GmbH), and Four Soft Singapore Pte Limited (from May 27, 2005) and Four Soft Malaysia Sdn Bhd. (from May 27, 2005). As the majority of the subsidiary companies were acquired during the current financial year, the consolidated figures of the current period are not comparable with those of previous period.
- Figures of the earlier periods, wherever necessary, have been regrouped and rearranged to conform to those of the current periods.

By Order of the Board
Sd/-
Palem Srikanth
Managing Director

Place: Hyderabad
Date: June 15, 2006