

Unaudited financial results for the quarter and half-year ended September 30, 2008

(Rs. in Lakhs, except per share data)

Particulars	Standalone					
	Quarter ended September 30		Half Year ended September 30		Year ended March 31	
	2008 (Unaudited)	2007 (Unaudited)	2008 (Unaudited)	2007 (Unaudited)	2008 (Audited)	
1 a) Net sales/ Income from Operations	494.49	343.88	911.73	738.66	1,555.98	
b) Other Operating Income	3.28	3.85	8.08	7.23	29.59	
Total	497.77	347.73	919.81	745.89	1,585.57	
2 Expenditure						
a) Employees cost	365.84	291.61	705.34	597.13	1,226.15	
b) Software development expenses	51.79	72.61	101.76	153.80	297.55	
c) Depreciation and amortisation	24.40	27.68	48.64	55.59	106.87	
d) Other expenditure	82.54	74.40	141.60	134.18	255.33	
Total	524.57	466.30	997.34	940.70	1,885.90	
3 (Loss) from Operations before Other Income and Interest	(26.80)	(118.57)	(77.53)	(194.81)	(300.33)	
4 Other Income	23.95	22.62	47.47	45.25	91.99	
5 (Loss) before Interest	(2.85)	(95.95)	(30.06)	(149.56)	(208.34)	
6 Interest (Net)	(24.27)	5.16	(16.88)	9.65	15.30	
7 Profit/(Loss) from Ordinary Activities before tax	21.42	(101.11)	(13.18)	(159.21)	(223.64)	
8 Tax expense (including fringe benefit tax and wealth tax)	(1.38)	(1.40)	(2.44)	(2.77)	(6.74)	
9 Income tax earlier years (net)	7.88	-	7.88	-	95.59	
10 Net Profit/(Loss) after tax for the period/ year	27.92	(102.51)	(7.74)	(161.98)	(134.79)	
11 Paid-up equity share capital (Face Value Rs.10/- per share)	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31	
12 Reserves excluding revaluation reserve	-	-	-	-	-	
13 Earnings Per Share (EPS)	0.20	(0.72)	(0.05)	(1.13)	47.84	
14 Basic and diluted EPS for the period (Rs.) (not annualised)						
-Number of shares	11,194,583	11,145,849	11,194,583	11,145,849	11,235,546	
-Percentage of shareholding	78.38	78.04	78.38	78.04	78.66	

For Melstar Information Technologies Limited

S. M. Arora
 Managing Director

Place : Mumbai
 Date: October 25, 2008

MELSTAR INFORMATION TECHNOLOGIES LTD.

NOTES ON STANDALONE RESULTS


1. The above unaudited financial results were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on 25th October, 2008. The Statutory Auditors of the Company have carried out Limited Review of the above results pursuant to Clause 41 of the Listing Agreement.
2. During the current quarter and the half year, based on the threshold limits as per the Accounting Standard (AS) 17 'Segment Reporting' and considering the organizational structure, internal financial reporting systems and risk and returns, the Company has only one reportable primary segment, the results of which are disclosed in the above financial results.
3. The interest free loans/ advances (net) to a wholly owned subsidiary located at U.S.A., which has a negative net worth, stand at Rs.13.56 Lakhs (after considering the amount refunded by the said subsidiary subsequent to the quarter end). The said subsidiary has made profits for the current half year and the Company expects that the outstanding advances would be refunded and on that basis no provision is considered necessary in this respect at this stage.
4. The Company during the current quarter, achieved a higher turnover and cash profits, but continued to have a operating loss though reduced. The Company expects to achieve higher turnover going forward and continue to increase the business operations on the basis of present plans under implementation.
5. Status of investor complaints for the quarter ended 30th September, 2008:
Complaints pending at the beginning of the quarter - Nil, Complaints received during the quarter - 1, Complaints resolved during the quarter - 1, Complaints pending at the end of the quarter - Nil.
6. The figures of the previous periods / year have been regrouped and reclassified wherever necessary to conform to current period's classification.

INFORMATION REGARDING CONSOLIDATED RESULTS

Pursuant to the disclosure requirements of clause 41 of the listing agreement with stock exchanges, the consolidated figures for the Melstar Group (the Company together with its wholly owned subsidiaries), are as follows:-

	(Rs. in Lakhs, except per share data)				
	Quarter ended September 30		Half Year ended September 30		Year ended March 31
	2008	2007	2008	2007	2008
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover	787.82	773.52	1546.12	1603.58	3235.30
Net Profit/ (Loss) after tax	35.67	(98.77)	2.53	(162.41)	(87.21)
Earnings per share - Basic and diluted for the period (Rs.) (not annualised)	0.25	(0.69)	0.02	(1.14)	(0.61)

For Melstar Information Technologies Limited


S. M. Arora
Managing Director

Place: Mumbai
Date: October 25, 2008