

Deloitte Haskins & Sells

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AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MELSTAR INFORMATION TECHNOLOGIES LIMITED ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS

We have reviewed the accompanying statement of unaudited financial results of MELSTAR INFORMATION TECHNOLOGIES LIMITED (the Company) for the quarter September 30, 2008. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

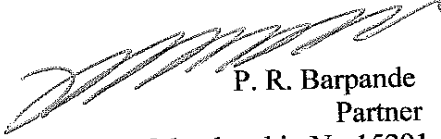
We have not reviewed the information regarding consolidated results included in the accompanying statement of unaudited financial results and accordingly our report is restricted to stand-alone financial results of the Company.

We have conducted our review in accordance with the Standard on Review Engagements (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 misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures 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 read with note no.3 regarding loans/advances (net) Rs.13.56 lakhs (after considering the amount refunded subsequent to the quarter-end), outstanding from a wholly owned subsidiary company which has a negative net worth, considered good of recovery by the management for the reasons stated in the said note and prepared in accordance with the accounting standards as referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that the particulars relating to the number of shares as well as the percentage of shareholding in respect of aggregate of public shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints have been traced from certificate from the Registrar and Transfer Agents of the Company furnished to us by the Company.

For Deloitte Haskins & Sells
Chartered Accountants



P. R. Barpande
Partner
Membership No.15291

Mumbai, date : October 25, 2008