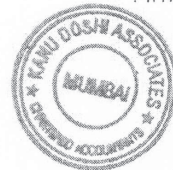


Limited Review Report

To
The Board of Directors
Melstar Information Technologies Limited

1. We have reviewed the accompanying statement of unaudited financial results of **MELSTAR INFORMATION TECHNOLOGIES LIMITED** for the quarter & half year ended 30th September, 2013 except for the disclosures regarding 'Public Shareholding', 'Promoter and Promoter Group Shareholding' and 'Investor complaints' which have been traced from disclosures made by the management and have not been reviewed by us. 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 statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Engagements to Review Financial Information performed by Independent Auditor of the Entity" 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 misstatement. 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.
3. 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 prepared in accordance with applicable accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and / or Accounting Standards issued by Institute of Chartered Accountants of India and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Kanu Doshi Associates
Chartered Accountants
Firm Registration No: 104746W



Ankit Parekh
Ankit Parekh
Partner

Membership No.: 114622

Place: Mumbai
Date: November 13, 2013

Melstar Information Technologies Limited

Regd. Office: Melstar House, G4, MIDC Cross Road A, Andheri (E), Mumbai- 400 093

PART I							(₹ in Lakhs)
Statement of Unaudited financial results for the quarter and half year ended 30/09/2013							
Particulars	Standalone						
	3 months ended			Half year ended		Year to date for the year ended	
	30/09/2013	30/06/2013	30/09/2012	30/09/2013	30/09/2012	31/03/2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1 Income from operations							
(a) Net Sales/ Income from operations	452.49	502.10	559.08	954.59	1132.37	2,035.51	
(b) Other operating income	25.13	4.04	5.04	29.17	9.68	33.36	
Total income from operations (net)	477.62	506.14	564.12	983.76	1,142.05	2,068.87	
2 Expenses							
(a) Purchases of Stock in Trade	-	-	-	-	-	-	
(b) Employee benefits expense	397.47	402.56	407.25	800.03	893.13	1,665.82	
(c) Depreciation and amortisation expense	20.88	20.62	21.31	41.50	42.58	84.10	
(d) Other expenses	70.43	130.31	175.11	200.74	262.18	525.61	
Total expenses	488.78	553.49	603.67	1,042.27	1,197.89	2,275.53	
3 Loss from operations before other Income, finance costs and exceptional Items (1-2)	(11.16)	(47.35)	(39.55)	(58.51)	(55.84)	(206.66)	
4 Other Income	35.56	33.16	32.66	68.72	57.41	134.62	
5 Profit/ (Loss) from ordinary activities before finance costs and exceptional Items (3 ± 4)	24.40	(14.19)	(6.89)	10.21	1.57	(72.04)	
6 Finance costs	21.76	20.61	26.89	42.37	37.62	80.65	
7 Profit/ (Loss) from ordinary activities after finance costs but before exceptional Items (5 ± 6)	2.64	(34.80)	(33.78)	(32.16)	(36.05)	(152.69)	
8 Exceptional items	-	-	-	-	-	-	
9 Profit/ (Loss) from ordinary activities before tax (7 ± 8)	2.64	(34.80)	(33.78)	(32.16)	(36.05)	(152.69)	
10 Tax Expense	(7.30)	-	3.80	(7.30)	-	7.85	
11 Net Loss from ordinary activities after tax (9 ± 10)	(4.66)	(34.80)	(29.98)	(39.46)	(36.05)	(144.84)	
12 Extraordinary items (net of tax expenses ₹ .akhs)	-	-	-	-	-	-	
13 Net Loss for the period (11 ± 12)	(4.66)	(34.80)	(29.98)	(39.46)	(36.05)	(144.84)	
14 Share of profit / (loss) of associates	-	-	-	-	-	-	
15 Minority interest	-	-	-	-	-	-	
16 Net Loss after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)	(4.66)	(34.80)	(29.98)	(39.46)	(36.05)	(144.84)	
17 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	1,428.31	
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(207.09)	
19.i Earnings Per Share (before Extraordinary Items) (of ₹ 10/- each) (not annualised):							
(a) Basic	(0.03)	(0.24)	(0.21)	(0.28)	(0.25)	(1.01)	
(b) Diluted	(0.03)	(0.24)	(0.21)	(0.28)	(0.25)	(1.01)	
19.ii Earnings Per Share (after Extraordinary Items) (of ₹ 10/- each) (not annualised):							
(a) Basic	(0.03)	(0.24)	(0.21)	(0.28)	(0.25)	(1.01)	
(b) Diluted	(0.03)	(0.24)	(0.21)	(0.28)	(0.25)	(1.01)	
See accompanying notes to the financial results.							



PART II

Select Information for the quarter ended 30/09/2013

	Particulars	Standalone					
		3 months ended			Half year ended		Year to date for the year ended
		30/09/2013	30/06/2013	30/09/2012	30/09/2013	30/09/2012	31/03/2013
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	-Number of shares	7,666,668	7,166,668	7,141,668	7,666,668	7,141,668	7,141,668
	-Percentage of shareholding	53.68	50.18	50.00	53.68	50.00	50.00
2	Promoters and Promoter group Shareholding						
a)	Pledged/ Encumbered						
	- Number of shares	6,365,000	6,865,000	6,890,000	6,365,000	6,890,000	6,890,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	96.20	96.47	96.48	96.20	96.48	96.48
	- Percentage of shares (as a % of the total share capital of the company)	44.56	48.06	48.24	44.56	48.24	48.24
b)	Non - encumbered						
	- Number of shares	251,471	251,471	251,471	251,471	251,471	251,471
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	3.80	3.53	3.52	3.80	3.52	3.52
	- Percentage of shares (as a % of the total share capital of the company)	1.76	1.76	1.76	1.76	1.76	1.76

	Particulars	3 months ended 30/09/2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	Nil

For Melstar Information Technologies Limited



(Richard D'Souza)
Managing Director

Place : Mumbai
Date: November 13, 2013



MELSTAR INFORMATION TECHNOLOGIES LIMITED

NOTES:

1. The aforesaid unaudited results were reviewed by the Audit Committee and were taken on record by the Board at its meeting held on November 13, 2013.
2. Statement of assets and liabilities as at end of September 30, 2013 is as under:-

(₹ in Lakhs)

Particulars	Standalone	
	As at 30/09/2013	As at 31/03/2013
	Unaudited	Audited
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1,428.31	1,428.31
(b) Reserves and surplus	(254.75)	(207.09)
Sub-total - Shareholders' funds	1,173.56	1,221.22
2 Non-current liabilities		
(a) Long-term borrowings	-	-
(b) Long-term provisions	37.05	38.14
Sub-total - Non-current liabilities	37.05	38.14
3 Current liabilities		
(a) Short-term borrowings	590.57	526.97
(b) Trade payables	332.67	1,187.66
(c) Other current liabilities	63.03	94.23
(d) Short-term provisions	21.19	21.19
Sub-total - Current liabilities	1,007.46	1,830.04
TOTAL - EQUITY AND LIABILITIES	2,218.06	3,089.39
B ASSETS		
1 Non-current assets		
(a) Fixed assets	958.66	998.76
(b) Non-current investments	-	-
(c) Long-term loans and advances	250.85	305.99
Sub-total - Non-current assets	1,209.51	1,304.75
2 Current assets		
(a) Trade receivables	379.23	1,222.91
(b) Cash and cash equivalents	35.47	21.20
(c) Short-term loans and advances	343.78	311.91
(d) Other current assets	250.09	228.62
Sub-total - Current assets	1,008.55	1,784.64
TOTAL - ASSETS	2,218.06	3,089.39

3. One of the Overseas Branch located at U.K., has been closed w.e.f. 22.07.2013 as indicated in the Companies House, U.K. website. Consequently, the related exchange difference of Rs.7.45 Lakhs accumulated in the Foreign Currency Translation Reserve, has been credited to Profit and Loss Account under "Other Operating Income", in accordance with AS-11(Revised) "The Effect of Changes in Foreign Exchange Rates".

4. The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.
5. The Statutory Auditors have carried out Limited Review of these standalone unaudited financial results.

For **Melstar Information Technologies Limited**



(Richard D'Souza)
Managing Director

Place: Mumbai

Date: November 13, 2013



Melstar Information Technologies Limited

Regd. Office: Melstar House, G4, MIDC Cross Road A, Andheri (E), Mumbai- 400 093

Segment-wise revenue, results and capital employed for the quarter and half year ended September 30, 2013

(₹ in Lakhs)

Sr. No.	Particulars	Standalone					Year to date for the year ended 31/03/2013
		3 months ended			Half year ended		
		30/09/2013	30/06/2013	30/09/2012	30/09/2013	30/09/2012	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	(a) Asia-Pacific	432.47	419.18	528.27	851.65	1,057.48	1,843.52
	(b) USA	18.46	86.96	35.85	105.42	84.57	225.35
	(c) Others	26.69	-	-	26.69	-	-
	Total	477.62	506.14	564.12	983.76	1,142.05	2,068.87
	Less: Inter-segment Revenue						
	Total Segment Revenue	477.62	506.14	564.12	983.76	1,142.05	2,068.87
2	Segment results ((Loss)/ Profit before tax and interest but after Exceptional Items)						
	(a) Asia-Pacific	(8.95)	(25.47)	(14.04)	(34.42)	(16.32)	(122.76)
	(b) USA	2.28	4.24	(2.86)	6.52	8.72	13.60
	(c) Others	20.99	-	-	20.99	-	-
	Total	14.32	(21.23)	(16.90)	(6.91)	(7.60)	(109.16)
	Less: Interest	21.10	20.60	14.72	41.70	23.39	55.16
	Less: Un-allocated Expenses net of unallocable income	(9.42)	(7.03)	2.16	(16.45)	5.06	(11.63)
	Profit/ (Loss) before tax	2.64	(34.80)	(33.78)	(32.16)	(36.05)	(152.69)
	Tax expenses	(7.30)	-	3.80	(7.30)	-	7.85
	(Loss)/ Profit after tax	(4.66)	(34.80)	(29.98)	(39.46)	(36.05)	(144.84)
3	Capital employed (Segment Assets less Segment Liabilities)						
	(a) Asia-Pacific	702.17	705.31	961.90	702.17	961.90	686.96
	(b) USA	1.44	(1.10)	(1.48)	1.44	(1.48)	(4.20)
	(c) Others	0.58	(12.80)	(12.13)	0.58	(12.13)	(11.66)
	(d) Un-allocated	469.37	493.50	381.30	469.37	381.30	550.12
	Total	1,173.56	1,184.91	1,329.59	1,173.56	1,329.59	1,221.22

Notes:-

- (a) The Company has identified geographical segments as primary segment, having regard to the organizational structure, location of customers, internal financial reporting systems and differing risks and returns.
(b) The segments are Asia Pacific, USA and others.
- Unallocated assets represent Fixed and other assets, which are not identifiable to any of the reportable segments as the same are used interchangeably between segments.

For Melstar Information Technologies Limited

(Richard D'Souza)
Managing Director

Place : Mumbai
Date: November 13, 2013

