

**Melstar Information Technologies Limited**

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

CIN : L99999MH1986PLC040604

PART I							( ₹ in Lakhs)
Statement of Unaudited financial results for the quarter and half year ended 30/09/2014							
Particulars	Standalone						
	3 months ended			Half year ended		Year to date for the year ended	
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)	
<b>1 Income from operations</b>							
(a) Net Sales/ Income from operations	531.80	480.56	452.49	1,012.36	954.59	1,822.66	
(b) Other operating income	0.36	2.73	25.13	3.09	29.17	37.38	
<b>Total income from operations (net)</b>	<b>532.16</b>	<b>483.29</b>	<b>477.62</b>	<b>1,015.45</b>	<b>983.76</b>	<b>1,860.04</b>	
<b>2 Expenses</b>							
(a) Purchases of Stock in Trade	-	-	-	-	-	0.30	
(b) Employee benefits expense	445.96	408.20	397.47	854.16	800.03	1,594.90	
(c) Software development expenses	21.68	18.64	25.08	40.32	106.41	137.63	
(d) Depreciation and amortisation expense	17.91	19.57	20.88	37.48	41.50	81.88	
(e) Other expenses	46.95	39.38	45.35	86.33	94.33	201.72	
(f) Irrecoverable debts/ advances written off	-	-	-	-	-	57.90	
<b>Total expenses</b>	<b>532.50</b>	<b>485.79</b>	<b>488.78</b>	<b>1,018.29</b>	<b>1,042.27</b>	<b>2,074.33</b>	
<b>3 Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)</b>	<b>(0.34)</b>	<b>(2.50)</b>	<b>(11.16)</b>	<b>(2.84)</b>	<b>(58.51)</b>	<b>(214.29)</b>	
4 Other Income	80.67	1.37	35.56	82.04	68.72	73.01	
<b>5 Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)</b>	<b>80.33</b>	<b>(1.13)</b>	<b>24.40</b>	<b>79.20</b>	<b>10.21</b>	<b>(141.28)</b>	
6 Finance costs	29.65	31.09	21.76	60.74	42.37	92.06	
<b>7 Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)</b>	<b>50.68</b>	<b>(32.22)</b>	<b>2.64</b>	<b>18.46</b>	<b>(32.16)</b>	<b>(233.34)</b>	
8 Exceptional items (Refer Note no.6)	(178.55)	-	-	(178.55)	-	-	
<b>9 Profit/ (Loss) from ordinary activities before tax (7 ± 8)</b>	<b>(127.87)</b>	<b>(32.22)</b>	<b>2.64</b>	<b>(160.09)</b>	<b>(32.16)</b>	<b>(233.34)</b>	
10 Tax Expense	-	-	(7.30)	-	(7.30)	(7.30)	
<b>11 Net Profit/(Loss) from ordinary activities after tax (9 ± 10)</b>	<b>(127.87)</b>	<b>(32.22)</b>	<b>(4.66)</b>	<b>(160.09)</b>	<b>(39.46)</b>	<b>(240.64)</b>	
12 Extraordinary items (net of tax expenses ₹ Lakhs)	-	-	-	-	-	-	
<b>13 Net Profit/(Loss) for the period (11 ± 12)</b>	<b>(127.87)</b>	<b>(32.22)</b>	<b>(4.66)</b>	<b>(160.09)</b>	<b>(39.46)</b>	<b>(240.64)</b>	
14 Share of profit / (loss) of associates	-	-	-	-	-	-	
15 Minority interest	-	-	-	-	-	-	
<b>16 Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)</b>	<b>(127.87)</b>	<b>(32.22)</b>	<b>(4.66)</b>	<b>(160.09)</b>	<b>(39.46)</b>	<b>(240.64)</b>	
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						(455.97)	
<b>19.i Earnings Per Share (before Extraordinary Items) (of ₹ 10/- each) (not annualised):</b>							
(a) Basic	(0.90)	(0.23)	(0.03)	(1.12)	(0.28)	(1.68)	
(b) Diluted	(0.90)	(0.23)	(0.03)	(1.12)	(0.28)	(1.68)	
<b>19.ii Earnings Per Share (after Extraordinary Items) (of ₹ 10/- each) (not annualised):</b>							
(a) Basic	(0.90)	(0.23)	(0.03)	(1.12)	(0.28)	(1.68)	
(b) Diluted	(0.90)	(0.23)	(0.03)	(1.12)	(0.28)	(1.68)	
See accompanying notes to the financial results.							



PART II							
Select Information for the quarter and half year ended 30/09/2014							
	Particulars	Standalone					
		3 months ended			Half year ended		Year to date for the year ended
		30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public Shareholding						
	- Number of shares	7,162,163	7,162,163	7,666,668	7,162,163	7,666,668	7,671,365
	- Percentage of shareholding	50.14	50.14	53.68	50.14	53.68	53.71
2	Promoters and Promoter group Shareholding						
a)	Pledged/ Encumbered						
	- Number of shares	400,000	400,000	6,365,000	400,000	6,365,000	400,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	5.62	5.62	96.20	5.62	96.20	6.05
	- Percentage of shares (as a % of the total share capital of the company)	2.80	2.80	44.56	2.80	44.56	2.80
b)	Non - encumbered						
	- Number of shares	6,720,976	6,720,976	251,471	6,720,976	251,471	6,211,774
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	94.38	94.38	3.80	94.38	3.80	93.95
	- Percentage of shares (as a % of the total share capital of the company)	47.06	47.06	1.76	47.06	1.76	43.49

	Particulars	3 months ended 30/09/2014
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

By Order of the Board of Directors  
For Melstar Information Technologies Limited

*AS*

(Anil S. Korpe)  
Chief Financial Officer

Place : Mumbai  
Date: November 14, 2014



**MELSTAR INFORMATION TECHNOLOGIES LIMITED**

**NOTES:**

1. The aforesaid Standalone Unaudited Financial Results were reviewed by the Audit Committee at its Meeting held on November 14, 2014 and thereafter approved and taken on record by the Board of Directors at their Meeting held on November 14, 2014.
2. The Statutory Auditors of the Company have carried out Limited Review of these Standalone Unaudited Financial Results pursuant to clause 41 of the Listing Agreement.
3. Statement of assets and liabilities as at end of September 30, 2014 is as under:-

( ₹ in Lakhs)

Particulars	Standalone	
	As at	As at
	30/09/2014	31/03/2014
	Unaudited	Audited
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	1,428.31	1,428.31
(b) Reserves and surplus	(644.22)	(455.97)
<b>Sub-total - Shareholders' funds</b>	<b>784.09</b>	<b>972.34</b>
<b>2 Non-current liabilities</b>		
(a) Long-term provisions	34.33	33.40
<b>Sub-total - Non-current liabilities</b>	<b>34.33</b>	<b>33.40</b>
<b>3 Current liabilities</b>		
(a) Short-term borrowings	836.11	794.62
(b) Trade payables	266.88	243.80
(c) Other current liabilities	36.47	28.75
(d) Short-term provisions	20.31	19.80
<b>Sub-total - Current liabilities</b>	<b>1,159.77</b>	<b>1,086.97</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,978.19</b>	<b>2,092.70</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	848.57	913.57
(b) Non-current investments	35.00	-
(c) Long-term loans and advances	322.96	273.18
<b>Sub-total - Non-current assets</b>	<b>1,206.53</b>	<b>1,186.75</b>
<b>2 Current assets</b>		
(a) Trade receivables	318.90	313.97
(b) Cash and cash equivalents	32.32	7.01
(c) Short-term loans and advances	220.98	398.92
(d) Other current assets	199.45	186.05
<b>Sub-total - Current assets</b>	<b>771.66</b>	<b>905.95</b>
<b>TOTAL - ASSETS</b>	<b>1,978.19</b>	<b>2,092.70</b>

4. The Company had given inter corporate deposit to one of the party (the entity earlier was covered under related party) amounting to Rs.1,79,35,296 (including interest) which is due for repayment for more than six months. The said deposit is good for recovery based on the management's best judgment. The management is under process for obtaining third party confirmation/reconciliation, consequential impact, if any, will be provided as and when determined.

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5. In current quarter, the Company has invested Rs. 35 Lacs in one of the Group Company as share application money. Having not received the intimation regarding the allotment of shares of the captioned investment, the Company is in the process of recovering the said share application money with interest.
6. Exceptional Items of Rs.178.55 Lacs during current quarter represents provision for doubtful advances (Inter Corporate Deposit) given to one of the Group Company.
7. Consequent to enactment of the Companies Act, 2013 and its applicability w.e.f. 1st April 2014, the Company has reworked depreciation on the basis of the useful lives of assets as prescribed in Part 'C' of schedule II of the Act. As a result depreciation for the quarter and half year ended 30<sup>th</sup> September, 2014 is lower by Rs.1.71 Lacs and Rs.1.73 lacs respectively, due to change in the useful lives of certain assets.  
In case of assets where the remaining useful life as on 1st April 2014 is Nil, the carrying amount of such assets have been adjusted to the opening balance of Retained Earnings after retaining their residual value. Accordingly, a sum of Rs.28.23 Lacs has been adjusted against Opening Reserves during the quarter ended 30th June 2014.
8. The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.

By Order of the Board of Directors  
For **Melstar Information Technologies Limited**



(Anil S. Korpe)  
Chief Financial Officer

Place: Mumbai  
Date: November 14, 2014



**Melstar Information Technologies Limited**

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

CIN : L99999MH1986PLC040604

Segment-wise revenue, results and capital employed for the quarter and half year ended September 30, 2014

( ₹ in Lakhs)

Sr. No.	Particulars	Standalone					Year to date for the year ended
		3 months ended			Half year ended		
		30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	<b>Segment Revenue</b>						
	(a) Asia-Pacific	514.08	476.47	432.47	990.55	851.65	1,716.48
	(b) USA	11.10	4.97	18.46	16.07	105.42	113.22
	(c) Others	6.98	1.85	26.69	8.83	26.69	30.34
	<b>Total</b>	<b>532.16</b>	<b>483.29</b>	<b>477.62</b>	<b>1,015.45</b>	<b>983.76</b>	<b>1,860.04</b>
	Less: Inter-segment Revenue						
	<b>Total Segment Revenue</b>	<b>532.16</b>	<b>483.29</b>	<b>477.62</b>	<b>1,015.45</b>	<b>983.76</b>	<b>1,860.04</b>
2	<b>Segment results (Profit/ (Loss) before tax and interest but after Exceptional Items)</b>						
	(a) Asia-Pacific	14.28	17.40	(8.95)	31.68	(34.42)	(142.66)
	(b) USA	4.42	(0.77)	2.28	3.65	6.52	10.26
	(c) Others	3.44	0.95	20.99	4.39	20.99	23.19
	<b>Total</b>	<b>22.14</b>	<b>17.58</b>	<b>14.32</b>	<b>39.72</b>	<b>(6.91)</b>	<b>(109.21)</b>
	Less: Interest	28.97	29.74	21.10	58.71	41.70	90.04
	Less: Un-allocated Expenses net of unallocable income	121.04	20.06	(9.42)	141.10	(16.45)	34.09
	<b>Profit/ (Loss) before tax</b>	<b>(127.87)</b>	<b>(32.22)</b>	<b>2.64</b>	<b>(160.09)</b>	<b>(32.16)</b>	<b>(233.34)</b>
	Tax expenses	-	-	(7.30)	-	(7.30)	(7.30)
	<b>Profit/ (Loss) after tax</b>	<b>(127.87)</b>	<b>(32.22)</b>	<b>(4.66)</b>	<b>(160.09)</b>	<b>(39.46)</b>	<b>(240.64)</b>
3	<b>Capital employed (Segment Assets less Segment Liabilities)</b>						
	(a) Asia-Pacific	672.41	691.63	702.17	672.41	702.17	676.53
	(b) USA	9.79	3.95	1.44	9.79	1.44	0.81
	(c) Others	2.88	0.61	0.58	2.88	0.58	0.60
	(d) Un-allocated	99.01	215.73	469.37	99.01	469.37	294.40
	<b>Total</b>	<b>784.09</b>	<b>911.92</b>	<b>1,173.56</b>	<b>784.09</b>	<b>1,173.56</b>	<b>972.34</b>

**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 different risk 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.

By Order of the Board of Directors

**For Melstar Information Technologies Limited**

*AS*

(Anil S. Korpe)

Chief Financial Officer

Place : Mumbai

Date: November 14, 2014



**Limited Review Report**

To  
The Board of Directors  
Melstar Information Technologies Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **MELSTAR INFORMATION TECHNOLOGIES LIMITED ("the Company")** for the quarter and half year ended September 30th, 2014 except for the disclosures regarding 'Public Shareholding', 'Promoters and Promoters 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 the Statement 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. With reference to note no.4 to the Statement regarding inter corporate deposits given to one party is overdue, as per management the deposit is good for recovery as explained in the said note. Further the said deposit is subject to third party confirmation / reconciliation, consequential impact, if any, will be provided as and when determined.
4. *With reference to note no.5 to the Statement, the Company has invested as share application money of Rs.35 Lacs in current quarter in one of the group company, Net worth of which is fully eroded. Further, we are informed that the said shares have not been allotted within stipulated time period. In the absence of detail information regarding adequate return on investment and future recoverability of said investment, we are unable to comment upon whether it is prejudicial to the interest of the Company. We further report that had the Company provided for the said investment, the Net Loss for the half year under review would have been Rs. 195.09 lacs (as against the reported net loss of Rs.160.09 lacs), Retained Deficit as at 30th September 2014 would have been Rs.679.23 lacs/- (as against the reported figure of Rs.644.23).*



5. Based on our review conducted subject to note no.3 and 4 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 Standard) Rules, 2006 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013 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 KanuDoshi Associates  
Chartered Accountants  
Firm Registration No: 104746W



**Manoj Kumar Pati**  
Partner

Membership No.: 504536

Place : Mumbai

Date : November 14<sup>th</sup>, 2014