

14.11.2016

BOMBAY STOCK EXCHANGE LIMITED P. J. TOWERS, DALAL STREET, MUMBAI - 400 001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
SCRIP CODE 532307	MELSTAR

Dear Sirs,

SUB: UNAUDITED FINANCIAL RESULTS & LIMITED REVIEW REPORT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30.09.2016.

REF: OUR LETTER DATED 04.11.2016

Pursuant to **Regulation 33** of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please take note that the Board of Directors at its meeting held on **Monday, 14.11.2016** approved the Unaudited Financial Results for the second quarter ended **30.09.2016**.

Please find enclosed the Unaudited Financial Results in **Regulation 33** of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 format for the second quarter ended **30.09.2016** together with Limited Review Report of Statutory Auditors.

The meeting of Board of Directors commenced on 3.00 P.M. and concluded at 04:15 P.M


Please take note of the above matters for your records.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For **MELSTAR INFORMATION TECHNOLOGIES LIMITED**


(ANIL KORPE)
CHIEF FINANCIAL OFFICER
Encl: As above.



Registered / Corporate Office:
Melstar House, G-4, M.I.D.C.
Cross Road "A", Andheri (East),
Mumbai 400 093. INDIA.
Phone : +91(22) 4056 6464
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URL : www.melstar.com



Jai Prakash Upadhayay & Co.

CHARTERED ACCOUNTANTS

Office : 12/14, Maharashtra Bhavan, Mezzain Floor, Office 18, Behind Old Handloom House, Bora Masjid Street, Fort, Mumbai - 400 001.

Tel: +91-22-22653616 • Cell : +91-9323013533 / 7506373533 • Email : jaiupadhayay@gmail.com • (Firm Reg: 125073W)

Review Report to:

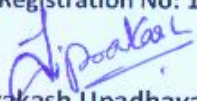
The Board of Directors
Melstar Information Technologies Limited

We have reviewed the accompanying statement of standalone unaudited financial results of Melstar Information Technologies Limited (the "Company") for the quarter ended September 30, 2016. 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.

We conducted our review in accordance with the Standard on Review Engagement (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 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.

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 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For JAI PRAKSH UPADHAYAY & CO.,
Chartered Accountants
Firm Registration No: 125073W


Jai Prakash Upadhayay
Proprietor
Membership No: 116778
Place: Mumbai
Date: 14.11.2016



PART I
 Statement of Unaudited Financial Results for the quarter and half year ended 30/09/2016 (₹ in Lakhs)

Particulars	3 months ended						Half year ended		Year to date for the year ended
	Standalone								
	30/09/2016 (Unaudited)	30/06/2016 (Unaudited)	30/09/2015 (Unaudited)	30/09/2016 (Unaudited)	30/09/2015 (Unaudited)	31/03/2016 (Audited)			
1 Income from operations									
(a) Net Sales/ Income from operations	668.07	683.23	793.74	1,351.30	1,492.15	3,095.27			
(b) Other operating income	2.48	0.02	8.08	2.50	8.55	21.88			
Total Income from operations (net)	670.55	683.25	801.82	1,353.80	1,500.70	3,117.15			
2 Expenses									
(a) Purchases of Stock in Trade	-	-	2.00	-	2.00	2.00		2.00	
(b) Changes in Inventories of finished goods, work in progress	-	-	-	-	-	-		-	
(c) Employee benefits expense	440.24	445.47	451.28	885.71	899.37	1,641.15		1,641.15	
(d) Purchases - Software services and IT infra services	191.15	195.01	252.68	386.16	407.33	1,060.14		1,060.14	
(e) Depreciation and amortisation expense	16.18	16.09	16.15	32.27	32.29	64.55		64.55	
(f) Other expenses	48.02	41.52	48.43	89.54	84.13	163.40		163.40	
(g) Irrecoverable debts/ advances written off	17.64	-	-	17.64	-	9.24		9.24	
Total expenses	713.23	698.09	770.54	1,411.32	1,425.12	2,940.48		2,940.48	
3 Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)	(42.68)	(14.84)	31.28	(57.52)	75.58	176.67		176.67	
4 Other Income	-	-	-	-	0.13	0.83		0.83	
5 Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)	(42.68)	(14.84)	31.28	(57.52)	75.71	177.50		177.50	
6 Finance costs	44.77	40.14	34.60	84.91	71.90	157.41		157.41	
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	(87.45)	(54.98)	(3.32)	(142.43)	3.81	20.09		20.09	
8 Exceptional Items	-	-	-	-	-	-		-	
9 Profit/(Loss) from ordinary activities before tax (7 ± 8)	(87.45)	(54.98)	(3.32)	(142.43)	3.81	20.09		20.09	
10 Tax Expense	-	-	-	-	-	-		-	
11 Net Profit/(Loss) from ordinary activities after tax (9 ± 10)	(87.45)	(54.98)	(3.32)	(142.43)	3.81	20.09		20.09	
12 Extraordinary items (net of tax expenses ₹ Lakhs)	-	-	-	-	-	-		-	
13 Net Profit/(Loss) for the period (11 ± 12)	(87.45)	(54.98)	(3.32)	(142.43)	3.81	20.09		20.09	
14 Share of profit / (loss) of associates	-	-	-	-	-	-		-	
15 Minority Interest	-	-	-	-	-	-		-	
16 Net Profit/(Loss) after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)	(87.45)	(54.98)	(3.32)	(142.43)	3.81	20.09		20.09	
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		1,428.31	
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	-		-	
19.i Earnings Per Share (before Extraordinary Items) (of ₹ 10/- each) (not annualised):									
(a) Basic	(0.61)	(0.38)	(0.02)	(1.00)	0.03	0.14		0.14	
(b) Diluted	(0.61)	(0.38)	(0.02)	(1.00)	0.03	0.14		0.14	
19.ii Earnings Per Share (after Extraordinary Items) (of ₹ 10/- each) (not annualised):									
(a) Basic	(0.61)	(0.38)	(0.02)	(1.00)	0.03	0.14		0.14	
(b) Diluted	(0.61)	(0.38)	(0.02)	(1.00)	0.03	0.14		0.14	

See accompanying notes to the financial results.



PART II

Select Information for the quarter and year ended 30/09/2016

Particulars	Standalone					
	3 months ended			Half year ended		Year to date for the year ended
	30/09/2016	30/06/2016	30/09/2015	30/09/2016	30/09/2015	31/03/2016
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
- Number of shares	7,562,163	7,262,163	7,262,163	7,562,163	7,262,163	7,262,163
- Percentage of shareholding	52.94	50.84	50.84	52.94	50.84	50.84
2	Promoters and Promoter group Shareholding					
a)	Pledged/ Encumbered					
- Number of shares	3,006,797	5,535,046	4,630,157	3,006,797	4,630,157	5,535,046
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	44.74	78.84	65.95	44.74	65.95	78.84
- Percentage of shares (as a % of the total share capital of the company)	21.05	38.75	32.42	21.05	32.42	38.75
b)	Non - encumbered					
- Number of shares	3,714,179	1,485,930	2,390,819	3,714,179	2,390,819	1,485,930
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	55.26	21.16	34.05	55.26	34.05	21.16
- Percentage of shares (as a % of the total share capital of the company)	26.01	10.41	16.74	26.01	16.74	10.41
B	INVESTOR COMPLAINTS					
Particulars	3 months ended 30/09/2016					
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					

For Melstar Information Technologies Limited

Ashish Mahendrakar

Director

DIN : 03589695

Place : Mumbai

Date: November 14, 2016



A)

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, 2016 and thereafter approved and taken on record by the Board of Directors at their Meeting held on November 14, 2016.
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, 2016 is as under:-

(₹ in Lakhs)

Particulars	Standalone	
	As at 30/09/2016	As at 31/03/2016
	Unaudited	Audited
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1,428.31	1,428.31
(b) Reserves and surplus	(774.95)	(632.52)
Sub-total - Shareholders' funds	653.36	795.79
2 Non-current liabilities		
(a) Long-term borrowings	2.44	3.34
(b) Long-term provisions	56.23	52.79
Sub-total - Non-current liabilities	58.66	56.13
3 Current liabilities		
(a) Short-term borrowings	924.88	943.49
(b) Trade payables	739.69	785.36
(c) Other current liabilities	234.83	174.22
(d) Short-term provisions	19.33	17.80
Sub-total - Current liabilities	1,918.73	1,920.88
TOTAL - EQUITY AND LIABILITIES	2,630.76	2,772.80
B ASSETS		
1 Non-current assets		
(a) Fixed assets	962.63	994.90
(b) Non-current investments	46.40	95.00
(c) Long-term loans and advances	601.10	494.12
Sub-total - Non-current assets	1,610.13	1,584.02
2 Current assets		
(a) Trade receivables	534.17	447.63
(b) Cash and cash equivalents	16.52	2.54
(c) Short-term loans and advances	280.32	223.18
(d) Other current assets	189.63	515.42
Sub-total - Current assets	1,020.63	1,188.77
TOTAL - ASSETS	2,630.76	2,772.80

4. During the quarter under review, the Company has disposed off 81% holdings in IDV Technology Solutions Pvt Ltd (IDV) to Promoter Companies and thus IDV ceased to be a subsidiary w.e.f. 29.09.2016.
5. The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.

For Melstar Information Technologies Limited

Ashish Mahendrakar
Director



Place: Mumbai

Date: November 14, 2016

M

Melstar Information Technologies Limited

Regd. Office: Melstar House, 64, MIDC Cross Road A, Andheri (E), Mumbai- 400 093

CIN : L39999MH1986PLC004604

Segment-wise revenue, results and capital employed for the quarter and half year ended 30/09/2016

Sr. No.	Particulars	3 months ended			Half year ended		Year to date for the year ended
		30/09/2016	30/06/2016	30/09/2015	30/09/2016	30/09/2015	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	(a) Software Services	662.59	683.25	738.90	1,345.84	1,437.77	2,732.04
	(b) IT Infra Projects	7.96	-	62.93	7.96	62.93	385.10
	Total	670.55	683.25	801.83	1,353.80	1,500.70	3,117.15
	Less: Inter-segment Revenue	-	-	-	-	-	-
	Total Segment Revenue	670.55	683.25	801.83	1,353.80	1,500.70	3,117.15
2	Segment results (Profit/ (Loss) before tax and interest but after Exceptional Items)						
	(a) Software Services	0.16	9.57	41.90	9.73	105.70	235.82
	(b) IT Infra Projects	(18.55)	(2.01)	8.27	(20.56)	8.27	25.03
	Total	(18.39)	7.56	50.17	(10.83)	113.97	260.84
	Less: Interest	44.77	40.14	34.60	84.91	71.90	153.91
	Less: Un-allocated Expenses net of unallocable income	24.30	22.40	18.89	46.70	38.26	86.85
	Profit/ (Loss) before tax	(87.45)	(54.98)	(3.32)	(142.43)	3.81	20.09
3	Assets						
	(a) Software Services	1,391.56	1,426.01	1,434.15	1,391.56	1,434.15	1,534.70
	(b) IT Infra Projects	62.03	346.14	70.84	62.03	70.84	358.32
	Total	1,453.59	1,772.15	1,504.99	1,453.59	1,504.99	1,891.02
	Un-allocated	1,177.16	1,004.48	872.85	1,177.16	872.85	881.78
	Total Assets	2,630.75	2,866.63	2,377.84	2,630.75	2,377.84	2,772.80
4	Liabilities						
	(a) Software Services	1,038.21	923.96	673.02	1,038.21	673.02	772.13
	(b) IT Infra Projects	8.83	244.73	11.75	8.83	11.75	254.73
	Total	1,047.04	1,168.69	684.77	1,047.04	684.77	1,026.86
	Un-allocated	930.35	957.13	910.58	930.35	910.58	950.15
	Total Liabilities	1,977.39	2,125.82	1,595.35	1,977.39	1,595.35	1,977.01

Notes:-

- (a) The Company has identified business 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 Software Services and IT Infra Projects.
- 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.
- The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.

For Melstar Information Technologies Limited

Ashish Mahendrakar
Director
DIN : 03584695

Place : Mumbai
Date: November 14, 2016



Melstar Information Technologies Limited

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

CIN : L99999MH1986PLC040604

Statement of Unaudited Standalone financial results for the quarter and half year ended 30/09/2016

(₹ in Lakhs)

Sr. No.	Particulars	Standalone		
		Quarter ended on 30/09/2016	Half year ended on 30/09/2016	Quarter ended on 30/09/2015
		(Unaudited)	(Unaudited)	(Unaudited)
1	Total income from operations (net)	670.55	1,353.80	801.82
2	Net Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(87.45)	(142.43)	(3.32)
3	Net Profit/(Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	(87.45)	(142.43)	(3.32)
4	Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(87.45)	(142.43)	(3.32)
5	Total Comprehensive Income for the period [Comprising Profit/ (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(87.45)	(142.43)	(3.32)
6	Equity Share Capital	1,428.31	1,428.31	1,428.31
7	Reserves excluding Revaluation Reserves as per Balance Sheet of previous year *	-	-	-
8	Earnings Per Share (of ₹ 0/- each)			
	Basic :	(0.61)	(1.00)	(0.02)
	Diluted :	(0.61)	(1.00)	(0.02)

* Reserves excluding Revaluation Reserves as on 31st March 2016 was Rs. -632.52 Lakhs

Notes:

- 1 The above is an extract of the detailed format of the financial results for the Quarter and Half year ended 30th September, 2016, filed with the Stock Exchanges, under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results for the Quarter and Half year ended 30th September, 2016 is available on the websites of the Stock Exchanges, www.nseindia.com and www.bseindia.com and on the Company's website www.melstar.com.
- 2 The aforesaid Standalone Unaudited Financial Results were reviewed by the Audit Committee at it's meeting held on November 14, 2016 and thereafter approved and taken on record by the Board of Directors at their meeting held on November 14, 2016.
- 3 The figures of the previous period/ year have been regrouped/ reclassified wherever necessary to conform to current period's classification.

For Melstar Information Technologies Limited

Ashish Mahendrakar
Director
DIN : 03584695



Place : Mumbai
Date: November 14, 2016