

**MELSTAR INFORMATION TECHNOLOGIES LIMITED**CIN NO L99999MH1986PLC040604.
(A SOFTWARE SERVICES COMPANY)

THE YASH BIRLA GROUP

REGD OFFICE : MELSTAR HOUSE, G-4, MIDC CROSS ROAD "A", ANDHERI EAST, MUMBAI-400093

**Statement of Unaudited financial results for the quarter and half year ended 30/09/2014**

(₹ In Lakhs)

PART I	Particulars	Standalone					Year to date for the year ended 31/03/2014 (Audited)
		3 months ended			Half year ended		
		30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	
1	Income from operations						
	(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
	Total income from operations (net)	532.16	483.29	477.62	1,015.45	983.76	1,860.04
2	Expenses						
	(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
	Total expenses	532.50	485.79	488.78	1,018.29	1,042.27	2,074.33
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(0.34)	(2.50)	(11.16)	(2.84)	(58.51)	(214.29)
4	Other Income	80.67	1.37	35.56	82.04	68.72	73.01
5	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)	80.33	(1.13)	24.40	79.20	10.21	(141.28)
6	Finance costs	29.65	31.09	21.76	60.74	42.37	92.06
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5±6)	50.68	(32.22)	2.64	18.46	(32.16)	(233.34)
8	Exceptional items (Refer Note no.6)	(178.55)	-	-	(178.55)	-	-
9	Profit/ (Loss) from ordinary activities before tax (7 ± 8)	(127.87)	(32.22)	2.64	(160.09)	(32.16)	(233.34)
10	Tax Expense	-	-	(7.30)	-	(7.30)	(7.30)
11	Net Profit/(Loss) from ordinary activities after tax (9 ± 10)	(127.87)	(32.22)	(4.66)	(160.09)	(39.46)	(240.64)
12	Extraordinary items (net of tax expenses ₹ Lakhs)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11 ± 12)	(127.87)	(32.22)	(4.66)	(160.09)	(39.46)	(240.64)
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)	(127.87)	(32.22)	(4.66)	(160.09)	(39.46)	(240.64)
17	Paid-up Equity Share Capital (Face Value ₹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)
19. i	Earnings Per Share (before Extraordinary Items) (of ₹ 10/- each) (not annualised):						
	(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)
19. ii	Earnings Per Share (after Extraordinary Items) (of ₹ 10/- each) (not annualised):						
	(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)

PART II Select Information for the quarter and half year ended 30/09/2014

PART II	Particulars	Standalone					Year to date for the year ended 31/03/2014
		3 months ended			Half year ended		
		30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	
A	PARTICULARS OF SHAREHOLDING						
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	INVESTOR COMPLAINTS						
	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			

NOTES:

- 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.
- 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.
- Statement of assets and liabilities as at end of September 30, 2014 is as under:-

PART III	Particulars	(₹ in Lakhs)	
		Standalone	
		As at 30/09/2014 Unaudited	As at 31/03/2014 Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,428.31	1,428.31
	(b) Reserves and surplus	(644.22)	(455.97)
	Sub-total - Shareholders' funds	784.09	972.34
2	Non-current liabilities		
	(a) Long-term provisions	34.33	33.40
	Sub-total - Non-current liabilities	34.33	33.40
3	Current liabilities		
	(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
	Sub-total - Current liabilities	1,159.77	1,086.97
	TOTAL - EQUITY AND LIABILITIES	1,978.19	2,092.70
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	848.57	913.57
	(b) Non-current investments	35.00	-
	(c) Long-term loans and advances	322.96	273.18
	Sub-total - Non-current assets	1,206.53	1,186.75
2	Current assets		
	(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
	Sub-total - Current assets	771.66	905.95
	TOTAL - ASSETS	1,978.19	2,092.70

- The Company had given inter corporate deposit to one of the party (the entity earlier was covered under related party) amounting to ₹ 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.
- In current quarter, the Company has invested ₹ 35 Lakhs 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.
- Exceptional Items of Rs.178.55 Lakhs during current quarter represents provision for doubtful advances (Inter Corporate Deposit) given to one of the Group Company.
- 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 30th September, 2014 is lower by ₹ 1.71 Lakhs and ₹ 1.73 Lakhs 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 ₹ 28.23 Lakhs has been adjusted against Opening Reserves during the quarter ended 30th June 2014.
- The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.

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 31/03/2014 (Audited)
		3 months ended			Half year ended		
		30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	
1	Segment Revenue						
	(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
	Total	532.16	483.29	477.62	1,015.45	983.76	1,860.04
	Less: Inter-segment Revenue	-	-	-	-	-	-
	Total Segment Revenue	532.16	483.29	477.62	1,015.45	983.76	1,860.04
2	Segment results (Profit/ (Loss) before tax and interest but after Exceptional Items)						
	(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
	Total	22.14	17.58	14.32	39.72	(6.91)	(109.21)
	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
	Profit/ (Loss) before tax	(127.87)	(32.22)	2.64	(160.09)	(32.16)	(233.34)
	Tax expenses	-	-	(7.30)	-	(7.30)	(7.30)
	Profit/ (Loss) after tax	(127.87)	(32.22)	(4.66)	(160.09)	(39.46)	(240.64)
3	Capital employed (Segment Assets less Segment Liabilities)						
	(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
	Total	784.09	911.92	1,173.56	784.09	1,173.56	972.34

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.

Place: Mumbai
Date: November 14, 2014www.melstar.comBy Order of the Board of Directors
For Melstar Information Technologies Limited
(Anil S. Korpe)
Chief Financial Officer