

**Melstar Information Technologies Limited**

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

**Audited financial results for the quarter and year ended March 31, 2011**

(Rs. in Lakhs)

|    | Particulars                                                                                             | Standalone                |                   |                        |                   | Consolidated Group     |                   |
|----|---------------------------------------------------------------------------------------------------------|---------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|
|    |                                                                                                         | Quarter ended<br>March 31 |                   | Year ended<br>March 31 |                   | Year ended<br>March 31 |                   |
|    |                                                                                                         | 2011<br>(Audited)         | 2010<br>(Audited) | 2011<br>(Audited)      | 2010<br>(Audited) | 2011<br>(Audited)      | 2010<br>(Audited) |
| 1  | a) Net Sales/ Income from Operations                                                                    | 616.87                    | 519.14            | 2,485.22               | 1,949.10          | 2,550.14               | 2,038.79          |
|    | b) Other Operating Income                                                                               | 27.53                     | 14.23             | 36.64                  | 18.11             | 46.22                  | 85.42             |
|    | <b>Total</b>                                                                                            | <b>644.40</b>             | <b>533.37</b>     | <b>2,521.86</b>        | <b>1,967.21</b>   | <b>2,596.36</b>        | <b>2,124.21</b>   |
| 2  | Expenditure                                                                                             |                           |                   |                        |                   |                        |                   |
|    | a) Employees Cost                                                                                       | 509.72                    | 459.52            | 2,005.19               | 1,622.20          | 2,005.19               | 1,635.77          |
|    | b) Software Development Expenses                                                                        | 30.14                     | 15.50             | 95.73                  | 188.54            | 155.41                 | 263.70            |
|    | c) Depreciation and Amortisation                                                                        | 21.39                     | 23.23             | 86.40                  | 92.87             | 86.40                  | 92.87             |
|    | d) Other Expenditure                                                                                    | 70.23                     | 143.04            | 251.12                 | 417.02            | 255.48                 | 422.53            |
|    | <b>Total</b>                                                                                            | <b>631.48</b>             | <b>641.29</b>     | <b>2,438.44</b>        | <b>2,320.63</b>   | <b>2,502.48</b>        | <b>2,414.87</b>   |
| 3  | <b>Profit/ (Loss) from Operations before Other Income, Interest and Exceptional Items</b>               | <b>12.92</b>              | <b>(107.92)</b>   | <b>83.42</b>           | <b>(353.42)</b>   | <b>93.88</b>           | <b>(290.66)</b>   |
| 4  | Other Income                                                                                            | 24.35                     | 24.37             | 97.06                  | 72.08             | 97.06                  | 72.09             |
| 5  | <b>Profit/ (Loss) before Interest and Exceptional Items</b>                                             | <b>37.27</b>              | <b>(83.55)</b>    | <b>180.48</b>          | <b>(281.34)</b>   | <b>190.94</b>          | <b>(218.57)</b>   |
| 6  | Interest                                                                                                | 10.56                     | 13.26             | 49.40                  | 49.58             | 49.40                  | 50.14             |
| 7  | <b>Profit/ (Loss) after Interest but before Exceptional Items</b>                                       | <b>26.71</b>              | <b>(96.81)</b>    | <b>131.08</b>          | <b>(330.92)</b>   | <b>141.54</b>          | <b>(268.71)</b>   |
| 8  | Exceptional Items                                                                                       | 15.18                     | -                 | 15.18                  | -                 | 144.86                 | 529.65            |
| 9  | <b>Profit/ (Loss) from Ordinary Activities before Tax</b>                                               | <b>41.89</b>              | <b>(96.81)</b>    | <b>146.26</b>          | <b>(330.92)</b>   | <b>286.40</b>          | <b>260.94</b>     |
| 10 | Income Tax Earlier Years (Net)                                                                          | -                         | -                 | -                      | 32.80             | -                      | 32.80             |
| 11 | <b>Net Profit/ (Loss) from Ordinary Activities After Tax For The Period/ Year</b>                       | <b>41.89</b>              | <b>(96.81)</b>    | <b>146.26</b>          | <b>(298.12)</b>   | <b>286.40</b>          | <b>293.74</b>     |
| 12 | 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          |
| 13 | Reserves excluding revaluation reserve (net of debit balance in Profit and Loss Account)                | -                         | -                 | (205.96)               | (351.23)          | (318.04)               | (459.88)          |
| 14 | Earnings Per Share (EPS) (Before Exceptional Items)<br>Basic and Diluted EPS for the Period/ Year (Rs.) | 0.19                      | (0.68)            | 0.92                   | (2.09)            | 0.99                   | (1.65)            |
| 15 | Earnings Per Share (EPS) (After Exceptional Items)<br>Basic and Diluted EPS for the Period/ Year (Rs.)  | 0.29                      | (0.68)            | 1.02                   | (2.09)            | 2.01                   | 2.06              |
| 16 | Public Shareholding                                                                                     |                           |                   |                        |                   |                        |                   |
|    | -Number of shares                                                                                       | 7,141,668                 | 7,199,597         | 7,141,668              | 7,199,597         | 7,141,668              | 7,199,597         |
|    | -Percentage of shareholding                                                                             | 50.00                     | 50.41             | 50.00                  | 50.41             | 50.00                  | 50.41             |
| 17 | Promoters and Promoter group Shareholding:                                                              |                           |                   |                        |                   |                        |                   |
|    | a) Pledged/ Encumbered                                                                                  |                           |                   |                        |                   |                        |                   |
|    | - Number of shares                                                                                      | 400,000                   | 2,260,000         | 400,000                | 2,260,000         | 400,000                | 2,260,000         |
|    | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)                | 5.60                      | 31.90             | 5.60                   | 31.90             | 5.60                   | 31.90             |
|    | - Percentage of shares (as a % of the total share capital of the Company)                               | 2.80                      | 15.82             | 2.80                   | 15.82             | 2.80                   | 15.82             |
|    | b) Non-encumbered                                                                                       |                           |                   |                        |                   |                        |                   |
|    | - Number of shares                                                                                      | 6,741,471                 | 4,823,542         | 6,741,471              | 4,823,542         | 6,741,471              | 4,823,542         |
|    | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)                | 94.40                     | 68.10             | 94.40                  | 68.10             | 94.40                  | 68.10             |
|    | - Percentage of shares (as a % of the total share capital of the Company)                               | 47.20                     | 33.77             | 47.20                  | 33.77             | 47.20                  | 33.77             |

For Melstar Information Technologies Limited

 (P. V. R. Murthy)  
Director

 Place : Mumbai  
Date : May 19, 2011


# MELSTAR INFORMATION TECHNOLOGIES LTD.

## NOTES:

1. The aforesaid audited results are reviewed by the Audit Committee and taken on record by the Board at its meeting held on May 19, 2011.
2. A wholly-owned subsidiary located at UK, was dissolved subsequent to the year-end. Accordingly, Exceptional Item for the year of Rs.15.18 lakhs on account loan written back as no longer payable to said subsidiary, credited to Profit and Loss Account.
3. Pursuant to amendment to clause 41 (eaa) of the listing agreement, a statement of assets and liabilities as at end of March 31, 2011 is as under:-

| (Rs. in Lakhs)                                                 |                          |                 |                          |                 |
|----------------------------------------------------------------|--------------------------|-----------------|--------------------------|-----------------|
|                                                                | Standalone               |                 | Consolidated Group       |                 |
|                                                                | 6 months ended March 31, |                 | 6 months ended March 31, |                 |
| Particulars                                                    | 2011                     | 2010            | 2011                     | 2010            |
|                                                                | Audited                  | Audited         | Audited                  | Audited         |
| <b>SHAREHOLDERS' FUND :</b>                                    |                          |                 |                          |                 |
| (a) Capital                                                    | 1,428.31                 | 1,428.31        | 1,428.31                 | 1,428.31        |
| (b) Reserves & Surplus                                         | 21.37                    | 22.35           | 796.25                   | 840.81          |
| <b>LOAN FUNDS</b>                                              | 264.75                   | 343.65          | 264.75                   | 335.51          |
| <b>TOTAL</b>                                                   | <b>1,714.43</b>          | <b>1,794.31</b> | <b>2,489.31</b>          | <b>2,604.63</b> |
| <b>FIXED ASSETS</b>                                            | 1,166.81                 | 1,234.59        | 1,166.81                 | 1,234.59        |
| <b>INVESTMENTS</b>                                             | -                        | -               | -                        | -               |
| <b>CURRENT ASSETS ,LOANS AND ADVANCES</b>                      |                          |                 |                          |                 |
| (a) Inventories                                                | -                        | -               | -                        | -               |
| (b) Sundry Debtors                                             | 453.52                   | 371.55          | 469.78                   | 387.60          |
| (c) Cash & Bank balances                                       | 25.67                    | 58.96           | 27.27                    | 65.20           |
| (d) Other current assets                                       | -                        | 0.37            | -                        | 0.37            |
| (e) Loans & Advances                                           | 325.34                   | 228.17          | 325.34                   | 228.17          |
| Less: Current Liabilities and Provisions                       |                          |                 |                          |                 |
| (a) Liabilities                                                | 429.74                   | 416.35          | 459.68                   | 555.43          |
| (b) Provisions                                                 | 54.49                    | 56.56           | 54.49                    | 56.56           |
| <b>MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)</b> | -                        | -               | -                        | -               |
| <b>PROFIT &amp; LOSS ACCOUNT</b>                               | 227.32                   | 373.58          | 1,014.28                 | 1,300.69        |
| <b>TOTAL</b>                                                   | <b>1,714.43</b>          | <b>1,794.31</b> | <b>2,489.31</b>          | <b>2,604.63</b> |

4. The consolidated financial results:-
  - a) Exceptional items aggregating Rs.144.86 lakhs for the year are on account of struck off of a wholly-owned subsidiary company located at Singapore during the year and in respect of dissolution of a wholly-owned subsidiary company located at UK, subsequent to the year-end, (on the basis of which the accounts of the said subsidiaries have not been prepared on a going concern basis) and comprise of Rs.100.81 lakhs net liabilities written back as no longer payable and related exchange differences of Rs.44.05 lakhs being the balance lying in the foreign currency translation reserve, credited to the Consolidated Profit and Loss Account.
  - b) Exceptional items aggregating Rs.529.65 lakhs in the previous year are on account of dissolution of a wholly-owned subsidiary company located at UK, and comprise of Rs.492.41 lakhs net liabilities written back as no longer payable and related exchange differences Rs.37.25 lakhs being the balance lying in the foreign currency translation reserve credited to the Consolidated Profit and Loss Account.
5. In view of brought forward tax losses/unabsorbed depreciation and accumulated book losses/depreciation, no provision for income tax has been made for the year.



6. The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.
7. Number of investor complaints during the quarter ended 31<sup>st</sup> March 2011:  
Opening: Nil Received: Nil, Disposed off: Nil, Pending: Nil.

For Melstar Information Technologies Limited

*P. V. R. Murthy*

(P. V. R. Murthy)  
Director

Place: Mumbai  
Date: May 19, 2011



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**Segment-wise revenue, results and capital employed for the quarter and year ended March 31, 2011**

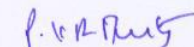
(Rs. in Lakhs)

| Sr<br>No | Particulars                                                                                 | Standalone                |                   |                        |                   | Consolidated Group     |                   |
|----------|---------------------------------------------------------------------------------------------|---------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|
|          |                                                                                             | Quarter ended<br>March 31 |                   | Year ended<br>March 31 |                   | Year ended<br>March 31 |                   |
|          |                                                                                             | 2011<br>(Audited)         | 2010<br>(Audited) | 2011<br>(Audited)      | 2010<br>(Audited) | 2011<br>(Audited)      | 2010<br>(Audited) |
| 1        | <b>Segment Revenue</b>                                                                      |                           |                   |                        |                   |                        |                   |
|          | (a) Asia-Pacific                                                                            | 611.92                    | 507.28            | 2,415.39               | 1,832.60          | 2,415.39               | 1,842.65          |
|          | (b) USA                                                                                     | 31.09                     | 26.09             | 105.08                 | 134.61            | 179.58                 | 238.49            |
|          | (c) Others                                                                                  | 1.39                      | -                 | 1.39                   | -                 | 1.39                   | 10.36             |
|          | <b>Total</b>                                                                                | <b>644.40</b>             | <b>533.37</b>     | <b>2,521.86</b>        | <b>1,967.21</b>   | <b>2,596.36</b>        | <b>2,091.50</b>   |
|          | Less: Inter-segment Revenue                                                                 | -                         | -                 | -                      | -                 | -                      | -                 |
|          | <b>Total Segment Revenue</b>                                                                | <b>644.40</b>             | <b>533.37</b>     | <b>2,521.86</b>        | <b>1,967.21</b>   | <b>2,596.36</b>        | <b>2,091.50</b>   |
| 2        | <b>Segment results (Profit/ (Loss) before tax and interest but after Exceptional Items)</b> |                           |                   |                        |                   |                        |                   |
|          | (a) Asia-Pacific                                                                            | 38.77                     | (92.35)           | 174.23                 | (143.24)          | 201.54                 | (131.68)          |
|          | (b) USA                                                                                     | (0.61)                    | (23.21)           | 6.35                   | (42.00)           | 16.82                  | (33.84)           |
|          | (c) Others                                                                                  | 1.39                      | (6.27)            | 1.29                   | (6.76)            | 118.83                 | 455.89            |
|          | <b>Total</b>                                                                                | <b>39.55</b>              | <b>(121.83)</b>   | <b>181.87</b>          | <b>(192.00)</b>   | <b>337.19</b>          | <b>290.37</b>     |
|          | Less: Interest                                                                              | 10.56                     | 13.26             | 49.40                  | 49.58             | 49.40                  | 50.14             |
|          | Add: Exceptional Item Unallocable to Segment                                                | -                         | -                 | -                      | -                 | -                      | 77.34             |
|          | Less: Un-allocated Expenses net of unallocable income                                       | (12.90)                   | (38.28)           | (13.79)                | 89.34             | 1.39                   | 56.63             |
|          | <b>Profit/(Loss) before tax</b>                                                             | <b>41.89</b>              | <b>(96.81)</b>    | <b>146.26</b>          | <b>(330.92)</b>   | <b>286.40</b>          | <b>260.94</b>     |
|          | Income Tax Earlier Years (Net)                                                              | -                         | -                 | -                      | 32.80             | -                      | 32.80             |
|          | <b>Profit/ (Loss) after tax</b>                                                             | <b>41.89</b>              | <b>(96.81)</b>    | <b>146.26</b>          | <b>(298.12)</b>   | <b>286.40</b>          | <b>293.74</b>     |
| 3        | <b>Capital employed</b>                                                                     |                           |                   |                        |                   |                        |                   |
|          | <b>(Segment Assets less Segment Liabilities)</b>                                            |                           |                   |                        |                   |                        |                   |
|          | (a) Asia-Pacific                                                                            | 827.05                    | 827.78            | 827.05                 | 827.78            | 827.05                 | 827.78            |
|          | (b) USA                                                                                     | 0.55                      | (3.46)            | 0.55                   | (3.46)            | (11.54)                | (19.44)           |
|          | (c) Others                                                                                  | (15.36)                   | (15.81)           | (15.36)                | (15.81)           | (15.36)                | (116.62)          |
|          | (d) Un-allocated                                                                            | 410.12                    | 268.57            | 410.12                 | 268.57            | 410.12                 | 276.72            |
|          | <b>Total</b>                                                                                | <b>1,222.36</b>           | <b>1,077.08</b>   | <b>1,222.36</b>        | <b>1,077.08</b>   | <b>1,210.27</b>        | <b>968.44</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 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.
- Consolidated Group Segment results (Profit/ (Loss) before tax and interest but after Exceptional Items) includes "Exceptional Items" allocable to the segment "Asia-Pacific" Rs.27.31 lakhs ( Previous year Rs. Nil) and segment "Others" Rs.117.55 lakhs (Previous year Rs.452.32 lakhs) (Refer note no.4 (a) above)

For Melstar Information Technologies Limited



 (P. V. R. Murthy)  
Director

 Place : Mumbai  
Date : May 19, 2011
