

**MELSTAR INFORMATION TECHNOLOGIES LIMITED***(AN APPLICATION MANAGEMENT COMPANY)*REGD OFFICE : MELSTAR HOUSE, G-4, MIDC CROSS ROAD "A",
ANDHERI EAST, MUMBAI - 400 093**Unaudited financial results for the quarter ended June 30, 2008**

RS IN LAKHS, EXCEPT PER SHARE DATA

Sr. No.	Particulars	Standalone		
		Quarter Ended June 30		Year Ended March 31
		2008 (Reviewed)	2007 (Reviewed)	2008 (Audited)
1	Net sales/ Income from operations	417.24	394.78	1,555.98
2	Other income	28.32	26.01	121.58
3	Total Income (1+2)	445.56	420.79	1,677.56
4	Expenditure			
	a) Employees cost	339.50	305.52	1,226.15
	b) Software development expenses	49.97	81.19	297.55
	c) Depreciation and amortisation	24.24	27.91	106.87
	d) Other expenditure	59.06	59.78	255.33
	e) Total	472.77	474.40	1,885.90
5	Interest (Net)	7.39	4.49	15.30
6	(Loss) before tax (3)-(4+5)	(34.60)	(58.10)	(223.64)
7	Tax expense (including fringe benefit tax and wealth tax)	(1.06)	(1.37)	6.74
8	Income tax earlier years (net)	-	-	95.59
9	Net (Loss) (6)+(7)+(8)	(35.66)	(59.47)	(134.79)
10	Paid-up equity share capital (Face Value Rs.10/- per share)	1,428.31	1,428.31	1,428.31
11	Reserves excluding revaluation reserve	-	-	47.84
12	Earnings Per Share (EPS) Basic and diluted EPS for the period (Rs.) (not annualised)	(0.25)	(0.42)	(0.94)
13	Public shareholding			
	- Number of shares	11,194,583	11,152,149	11,235,546
	- Percentage of shareholding	78.38	78.08	78.66

NOTES ON STANDALONE RESULTS

- The aforesaid unaudited results were reviewed by the Audit Committee and were taken on record by the Board at its meeting held on 31st July, 2008. The Statutory Auditors have carried out Limited Review of these standalone unaudited financial results.
- During the current quarter, based on the threshold limits as per the Accounting Standard (AS) 17 'Segment Reporting' and considering the organizational structure, internal financial reporting systems and risk and returns, the Company has only one reportable primary segment, the results of which are disclosed in the above financial results.
- The Company during the quarter advanced interest free loan of Rs13.02 lakhs to a wholly owned subsidiary located at USA which has negative net worth and the investments in which have been fully provided for in the earlier years. The said subsidiary has made profits for the quarter and the Company expects that the money advanced would be refunded and on that basis no provision is considered necessary in this respect at this stage.
- The Company continues to suffer losses mainly on account of high operational costs, however the net worth continues to be positive. The Company has taken steps for cost reduction and rationalization of resources to achieve maximum operational efficiency and on the basis of the business opportunities and expected orders, the Company expects profitability.
- Status of investor complaints for the quarter ended 30th June, 2008:
Complaints pending at the beginning of the quarter – Nil, Complaints received during the quarter – 1, Complaints resolved during the quarter – 1, Complaints pending at the end of the quarter – Nil.
- The figures of the previous periods / year have been regrouped and reclassified wherever necessary to conform to current period's classification.

INFORMATION REGARDING CONSOLIDATED RESULTS

Pursuant to the disclosure requirements of clause 41 of the listing agreement with stock exchanges, the consolidated figures for the Melstar Group (the Company together with its wholly owned subsidiaries), are as follows:-

(Rs. in Lakhs, except per share data)

	Quarter ended June 30		Year ended March 31
	2008 (Unaudited)	2007 (Unaudited)	2008 Audited
Turnover	758.30	830.06	3235.30
Net Loss after tax	(33.14)	(63.64)	(87.21)
Earnings per share - Basic and diluted for the period (Rs.) (not annualised)	(0.23)	(0.45)	(0.61)

For **MELSTAR INFORMATION TECHNOLOGIES LIMITED**

Sd/-

Place : Mumbai

Date : July 31, 2008

www.melstar.com**S.M.Arora**
Managing Director