



Melstar Information Technologies Ltd.

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14th Annual Report 2000 - 2001



THE LAST DECADE AT A GLANCE

1. Melstar Information Technologies Limited entered the field of Information Technologies in January, 1991 when the present Promoters acquired the Company then known as Sifa India Pvt. Ltd. In 1992, the name was changed to Melstar Information Technologies Private Limited and the Company was also converted into a Public Limited Company.
2. In the initial years of its operations ended March 1993, the Company concentrated on assembly / export to Eastern Europe of Microprocess based Computer systems, medical equipment and related products.
3. In 1993 Melstar negotiated with IBM to become their National Principal Distributor in India.
4. In 1994, the Company established local presence in the US as a new Joint Venture Company viz. the Melstar Inc, in association with a Non-resident Indian, with headquarters in Delaware. Subsequently its principal place of activity was shifted to San Jose in California. The business segments in which the Company operated were hardware, peripherals and software development, besides Electronic products.
5. In 1996, Melstar won the prestigious award from IBM "Business Partner of the Year" and became largest partner for IBM.
6. In 1997, Melstar decided to enter the international market and to become a 100% software development company. A re-engineering of the business model started in 1997 and was successfully completed by March 1999.
7. During the year ended March 1999, substantial investments were made for establishment of new Software Development Centres and focus was shifted only to Software Development and related Services. Software revenues increased to Rs.18 crores during the year.
8. Melstar Industries Limited, an associate Company, was amalgamated with the Company which appreciably increased its asset base.
9. During the year ended March 2000 and March 2001 significant decisions having long term impact on the operations of the Company were taken, viz.-
 - a. The Company made its Initial Public Offer in January 2000, which was over subscribed more than 80 times. The shares of the Company got enlisted on Mumbai Stock Exchange and National Stock Exchange and are actively traded.
 - b. Acquisition of Linkhand Ltd. and its two subsidiaries;
 - c. Acquisition by the Company of the 100% of the equity of Global System Development Inc. in the US.
 - d. Incorporation of Melstar U.K. Ltd.
 - e. Incorporation of a wholly owned subsidiary in Germany – Melstar Deutschland GmbH.
 - f. Incorporation of a wholly owned subsidiary in Singapore, viz. Melstar Singapore Pte. Limited.
 - g. Incorporation of a Wholly-owned Subsidiary in India - Melstar Indiacentric Limited to focus on the Indian market.
 - h. The number of Software Development Centres located in different countries, including India, reached eight.
10. The turnover and profits from operations during the year ending March 2000 (inclusive of Software sales of Rs.30.64crores) added upto Rs.43.0 crores and Rs.7.92 crores respectively. In the year just ended, Software revenues totaled Rs.65.44 crores recording a growth of 111% and contributing 92% of the total revenues of Rs.68.50 crores. The profits amounted to Rs.11.26 crores.

**BOARD OF DIRECTORS**

Mr. Suresh Bansal	- Chairman
Mr. S. M. Arora	- Managing Director
Mr. Sattar Shaikh	- Executive Director
Mr. Bharat Ramani	- Executive Director
Mr. Anthony Gale	- Director
Mr. Prashant Jhavar	- Director
Mr. Brijesh Kumar Biyani	- Director
Mr. M. R. Lal	- Director
Mr. Darius Pandole	- Director

CFO & COMPANY SECRETARY

Mr. Satish V. Menon

MAIN BANKERS

Punjab National Bank
The Vysya Bank Ltd.

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

INTERNAL AUDITORS

Gupta Maheshwari & Jain
Chartered Accountants

LEGAL ADVISOR

Mr. M. R. Lal,
Advocate
F-2/701, Poonam Kunj,
Poonam Nagar, Andheri (E),
Mumbai - 400 093.

REGISTRARS & SHARE TRANSFER AGENTS

MCS Ltd., Venkatesh Bhavan, MIDC,
Andheri (East), Mumbai - 400 093.
Tel.: 825235 Fax : 8350456

REGISTERED OFFICE

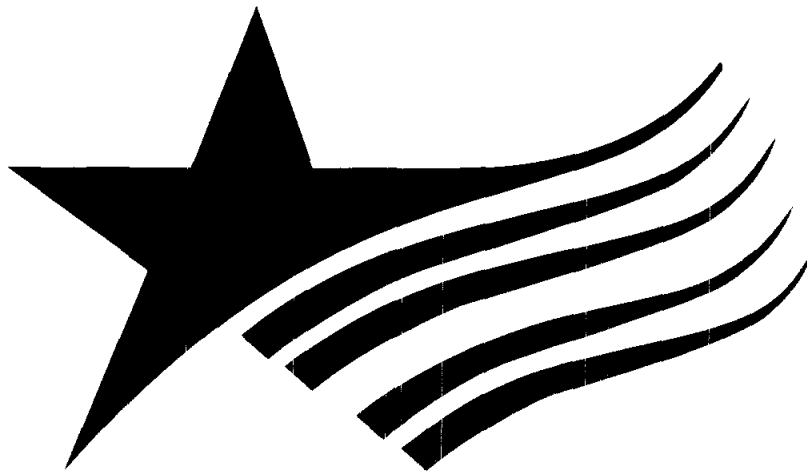
G-4, Melstar House,
Cross Road, 'A', M.I.D.C.,
Andheri (East),
Mumbai 400 093.
Tel.: 831 0505 Fax : 831 0520

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MELSTAR Information Technologies Ltd.



MELSTAR

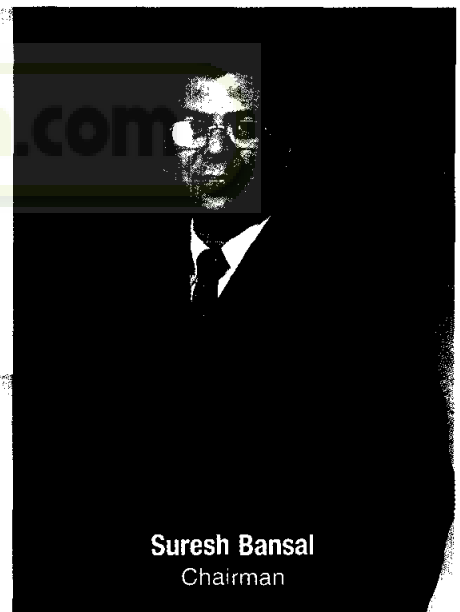
VISION

“Create a world class I.T. organization in terms of technology and people; providing outsourcing services in developing and supporting e-commerce solutions, software applications and business consulting.”

“Develop and deploy cutting-edge Products and Solutions catering to Financial Services and Technology Business.”

MISSION

“To be a result oriented, dynamic and caring organization, based on team spirit and shared values by providing a unique combination of on-site, off-site and off-shore services; offering a sustainable cost reduction model.”



Suresh Bansal
Chairman



FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31ST MARCH 1999, 2000 & 2001

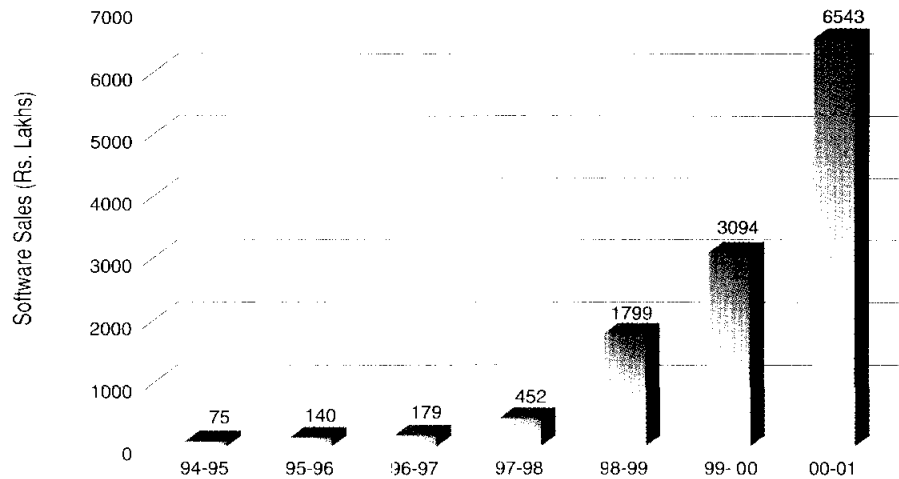
Rs. Lakhs

	2000-2001	1999-2000	1998-1999
REVENUES FROM OPERATIONS			
Software sales	6543	3094	1799
Other Sales	160	555	1714
	6703	3649	3513
OTHER INCOME	153	23	7
TOTAL REVENUES	6856	3672	3520
a) Increase / decrease in stock in trade	99	82	249
b) Consumption of raw materials	—	—	80
c) Staff Cost	1160	596	361
d) Software Development expenses	3125	760	275
e) Purchase of products	165	809	1671
f) Others	1181	611	619
TOTAL EXPENDITURE	5730	2858	3255
OPERATING INCOME	1126	814	265
Interest Charges	9	45	105
Depreciation	183	132	90
PBT – OPERATIONAL	934	637	63
Extraordinary Income	—	380	7
Tax	36	3	18
PROFIT AFTER TAX (A)	898	1014	52
Prior Year / Extraordinary Items	7	-7	-556
PROFITS AFTER TAXATION	905	1007	-505
PAID UP EQUITY SHARE CAPITAL	1382	1215	856
RESERVES	5329	2413	72
BASIC & DILUTED EPS : TOTAL	7.2	6.2	1
(Excluding Extraordinary Items)			



Information Technologies Ltd.

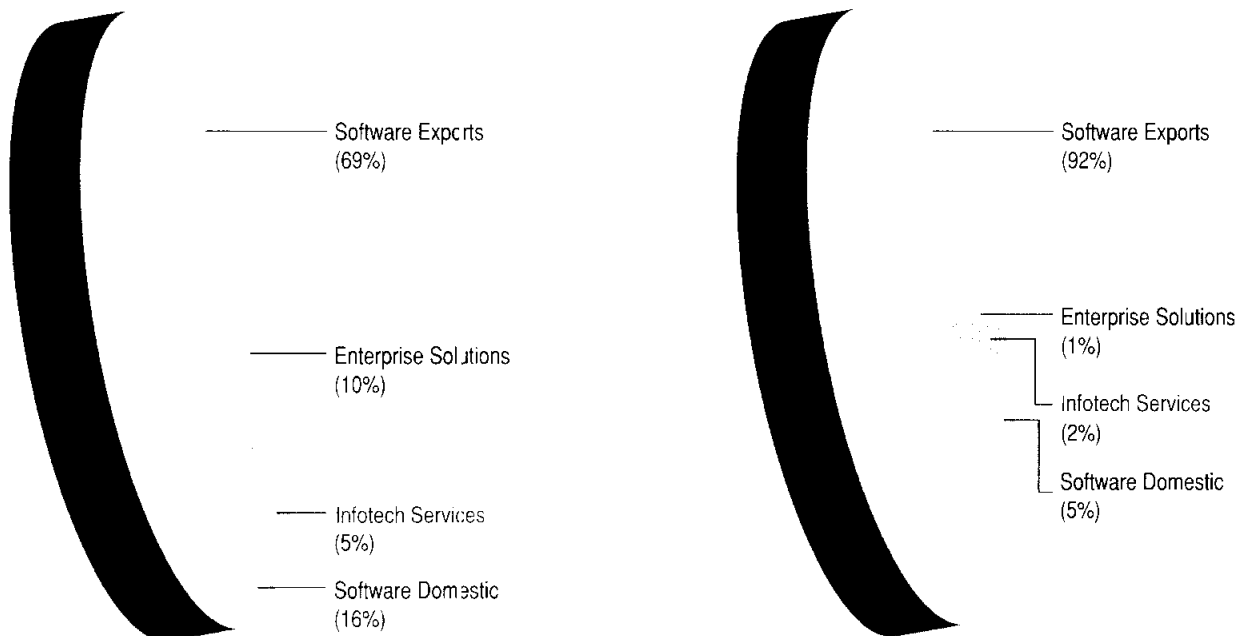
GROWTH IN SOFTWARE SALES



CONTRIBUTION TO REVENUE

1999-2000

2000-2001





O V E R V I E W

Corporate Office : Mumbai
Eight Software Development Facilities
Mumbai, Bangalore, London, San Jose

Established : 1986

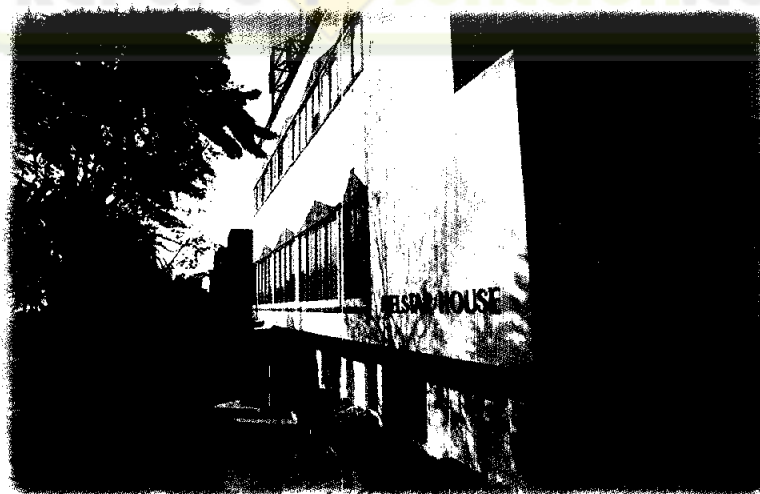
Manpower : 500

INDIAN OFFICES

Mumbai	New Delhi
Chennai	Kolkata
Hyderabad	Bangalore
Pune	

INTERNATIONAL OFFICES

New York	Dallas
San Jose	London
Frankfurt	Singapore
Zurich	



DOMAIN FOCUS

Financial Services
Technology Business

S E I - C M M L E V E L - I I I A S S E S S E D



Information Technologies Ltd.

KEY MANAGEMENT PERSONNEL

NAME	DESIGNATION	EXPERIENCE (YRS.)
Suresh Bansal	Chairman	24
S.M. Arora	Managing Director	37
Sattar Shaikh	Executive Director	24
Bharat Ramani	Director	18
A.C. Gale	CEO-Melstar Linkhand Ltd.	19
Satish Menon	Chief Financial Officer & C.S.	16
Prafull Verma	Sr. V.P.-SJ	22
Pradeep Nigam	VP-Marketing-NY	18
Jeremy de Lima	VP-Software Dev.-NY	24
Tushar Desai	VP-Marketing-SJ	20
Sandeep Sawant	Vice President	13
Dr. Paresh Paul	Vice President	11
Dr. R.C. Tripathy	Head-Quality Process	12
Chris Wood	Director-Banking	20
Kevin Osborn	Director-Insurance	25
Ian Soden	Director-Technology	25
Peter Ferns	Corporate Manager-Citibank	21
Asha Vasudevan	General Manager-Project	11
Manoj Dube	General Manager-Germany	13
Eddie Tait	Practice Manager-Insurance	12
David Moorr	Practice Manager-Technical	25



E-BUSINESS COMPETENCE CENTRES

IBM Technologies

Lotus Technologies

Microsoft Technologies

Sun Java Technologies

Oracle Technologies

Emerging Technologies

DEDICATED DEVELOPMENT CENTRE

IBM Development Centre

Citibank Development Centre

OBJECT TECHNOLOGIES ACROSS ALL CENTRES



INFRASTRUCTURE

SR.NO	LOCATION	SEATS	TECHNOLOGY
1	MDC- 1, Mumbai	42	Content Development Centre
2	MDC- 2, Mumbai	55	Oracle Technologies
3	MDC- 3, Mumbai	70	Microsoft / Sun Technologies
4	IGC , Bangalore	60	IBM Development Centre
5	SDF- II SEEPZ, Mumbai	110	Banking Development Centre
6	SDF- VI SEEPZ, Mumbai	92	IBM, Lotus and Sun Technologies
7	SJDC San Jose, USA	16	Internet Technologies
8	UKDC London, UK	12	Web Application

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