



Melstar Information Technologies Limited

CIN : L99999MH1986PLC040604

30th August 2019

To, The General Manager, Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai -400001 Scrip Code : 532307	To, The Secretary, National Stock Exchange of India Limited 5 th Floor, Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex , Bandra (East) Mumbai -400051 Trading Symbol : MELSTAR
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Dear Sir/madam,

Sub: Annual Report for the Financial Year 2018-19

Ref : Regulation 30 and 34 of SEBI (Listing obligation and Disclosure Requirement) Regulations ,2015

In term of Regulation 30 and 34 of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015, as amended, we submit hereby the Annual Report for the Financial Year ended 31st March, 2019

Request you to take the above Information/documents on records.

Your Faithfully

For Melstar Information technologies Limited

Sirish Kumar Sahoo
Director
DIN : 08052666

Encl: as above



Registered Office:

159, 5th Floor, Industry House,
Reclamation, Churchgate,
Mumbai 400 020. INDIA.
Phone : +91(22) 6235 6400
Fax : +91(22) 6235 6402
URL : www.melstar.com

2018-2019

32nd Annual Report

Melstar Information Technologies Limited



A Software Services Company

Business Philosophy

“To follow ethical and transparent business practices with all its customers, vendors and employees. Build long-term relationships based on mutual trust and benefits. Development of people and society in all countries where Melstar has its operations.”



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.”

ISO-27001 : 2013 Certified



MELSTAR INFORMATION TECHNOLOGIES LIMITED

159, Industry House, 5th Floor, Churchgate, Reclamation, Mumbai – 400020

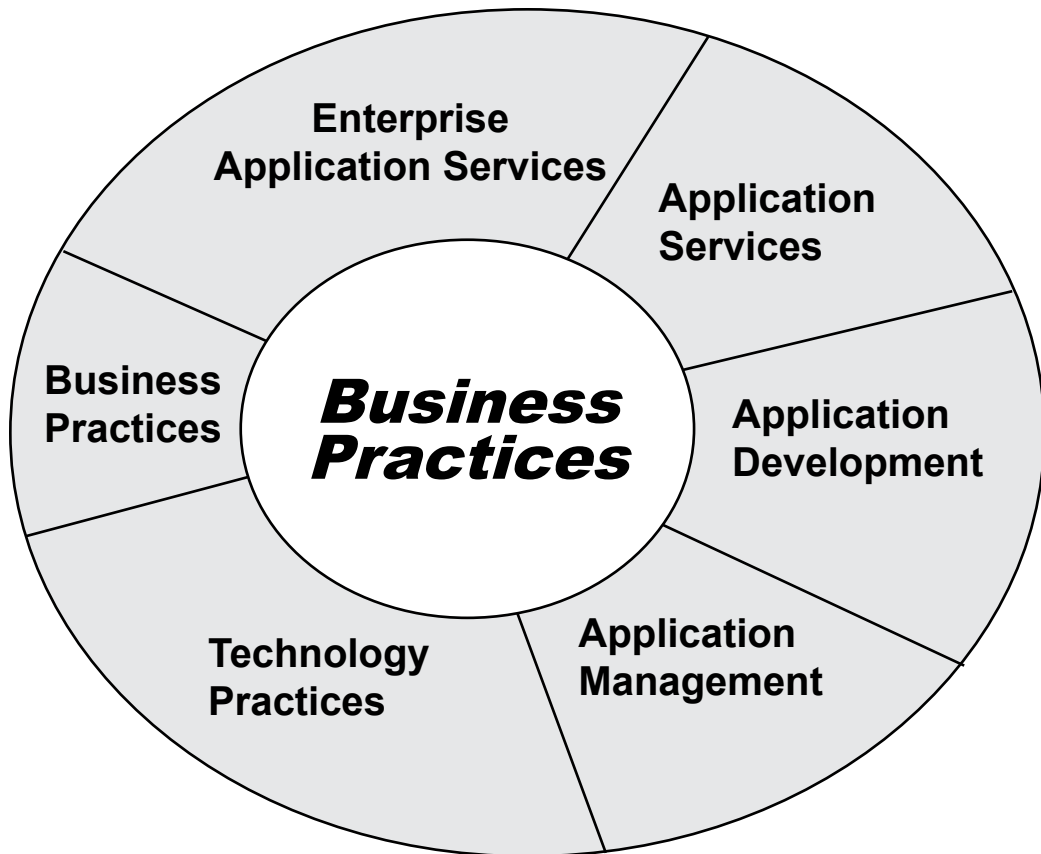
Telephone: (022) 62356400, Fax (022)62356402,

Corporate Identity Number (CIN): L99999MH1986PLC040604

Email : info@melstar.com, visit us at : www.melstar.com,

Corporate Identity Number (CIN): L99999MH1986PLC040604

Business Practices



32ND ANNUAL GENERAL MEETING

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Registered Office :

5th Floor, 159, Industry House ,Churchgate ,Reclamation, Mumbai -400020.

Tel. (022) 6235 6400 Fax : (022) 6235 6402

Email : info@melstar.com, Visit us at : www.melstar.com

Corporate Identity Number (CIN): L99999MH1986PLC040604

BOARD OF DIRECTORS :

Mr. Anant Satish Pathak (DIN : 05338978)	Additional Director (Non Executive Director, Independent Category) Additional Director –Executive Director Managing Director -Executive Director	w.e.f 01.02.2019 to 12.08.2019 13.08.2019 13.08.2019
Ms .Kirti Tripathi (DIN: 07140094)	Additional Director -Non- Executive Director, Independent	w.e.f. 01.04.2019
Mr.Vineet Kumar Tripathi (DIN: 07229156)	Additional Director-Non-Executive Director, Independent	w.e.f. 01.04.2019
Mr. Sirish Kumar Sahoo (DIN : 08052666)	Additional Director-Non Executive Director, Non Independent	w.e.f. 01.04.2019
Mr. Bhalchandra Yashwant Shinde (DIN : 07978440)	Non-Executive -Non Independent Director Non-Executive -Independent Director	(w.e.f 13.11.2017 to 13.11.2018) (w.e.f. 13.11.2018 to 22.04.2019)
Mr. Durgesh Yashwant Jadhav (DIN:08000007)	Non-Executive, Independent Director Non Independent and Non Executive Director	(w.e.f 13.11.2017 to 13.11.2018) (w.e.f 13.11.2018 to 22.04.2019)
Ms. Sadhana Avinash Patil (DIN:06565115)	Additional (Non-Executive - Independent Director Non-Executive - Independent Director	(w.e.f 09.02.2018 to 27.09.2018) (w.e.f 27.09.2018 to 22.04.2019)

CHIEF FINANCIAL OFFICER & CHIEF EXECUTIVE OFFICER

Mr. Ashish Ramesh Mahendrakar	Chief Financial Officer Chief Executive Officer	w.e.f 29.05.2017 w.e.f 13.11.2017 to 14/06/2019
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COMPANY SECRETARY

Ms. Farida Murtuza Bhatia	Company Secretary	w.e.f 11.05.2018 to 28.02.2019
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BRANCH OFFICE LOCATIONS:

BANGALORE

MELSTAR INFORMATION

TECHNOLOGIES LTD.

335,Connection Point A-Block,
Mazzanine Floor, HAL-Airport Exit Road,
Bangalore - 560017. India
Phone No. - 080 – 49390400

CHENNAI

MELSTAR INFORMATION TECHNOLOGIES LTD.

2nd Floor, New No. 8,
Maharaja Surya Rao Road,
Alwarpet, Chennai - 600 018. India
Phone No. 044-43487070

GURGAON

MELSTAR INFORMATION

TECHNOLOGIES LTD.

Unit No B-202, Hartron Building,
Plot No 25,
Electronic City, Sector 18,
Gurgaon- 122015

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Electronic City, Sector 18,
Gurgaon- 122015

NOTICE OF 32nd ANNUAL GENERAL MEETING

Notice is hereby given that the **32nd Annual General Meeting** of the members of **MELSTAR INFORMATION TECHNOLOGIES LIMITED** will be held on **Thursday, the 26th September, 2019 at 02.00 P.M. at "2nd Floor, Library Hall, Indian Merchant Chamber, (IMC) ,Chamber of Commerce and Industry, IMC Building , IMC Marg, Churchgate, Mumbai - 400020** to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended **March 31, 2019** and the Reports of the Board of Directors and the Auditors thereon, and in this regard, pass the following resolutions as **Ordinary Resolutions**:

"**RESOLVED THAT** the Audited Financial Statement of the Company for the Financial year ended **March 31, 2019** and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. **M/s Sarda & Pareek, Chartered Accountants (FRN: 109262W)**, Statutory Auditor of the Company was appointed as Statutory Auditor for the period of three financial year from 01/04/2018 to 31/03/2021 in the **31st Annual General Meeting held on 27th September 2018** as per the provisions of Section 139, 142 and other applicable provisions if any, of the Companies Act 2013 or any amendment thereof or modification thereof. **M/s Sarda & Pareek, Chartered Accountants, (FRN 109262W)** continues to be the Statutory Auditor of the Company as per the provision of the Companies Act 2013.

SPECIAL BUSINESS:

3. As an **Ordinary Resolution** To Consider and to Regularize the appointment of **Mr. Anant Satish Pathak (DIN: 05338978)** Additional Director as the Director of the Company and in this regard, pass the following resolution:

"**RESOLVED THAT Mr. Anant Satish Pathak (DIN: 05338978)** who was appointed as an Additional Director of the Company, by the Board of Directors in their Meeting held on 12.08.2019 w.e.f 13.08.2019 under section 161(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, (including any Statutory modification or re-enactment thereof and applicable provisions of the Articles of Association of the Company and who hold office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company."

4. **As a Special Resolution** To Consider and to regularize the appointment of **Mr. Anant Satish Pathak (DIN: 05338978)** Additional Director as the **Managing Director** of the Company and in this regard, pass the following resolution :

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of **Mr. Anant Satish Pathak (Din : 05338978)** as the **Managing Director** of the Company(who was appointed as for **Managing Director in the board meeting held on 12.08.2019 w.e.f. from 13.08.2019 subject to the approval of Shareholder in ensuing Annual General meeting)** for the period of five consecutive years from the Conclusion of this AGM till the Conclusion of 37th AGM and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of **Mr. Anant Satish Pathak (DIN: 05338978)** in the best interests of the Company and as may be permissible at law, viz

A. Period:

Five years w.e.f. 13th August, 2019 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

B. Remuneration:

I. Direct Earning :

- i) Basic Salary: ₹57458 (Rupees Fifty Seven Thousand Four Hundred Fifty Eight Only) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ` 1,00,000/-(Rupees One Lakhs only) per month as Basic Salary.
- ii) House Rent Allowance : ₹28729 (Rupees Twenty Eight Thousand Seven hundred and Twenty Nine Only) per month with such increments as the Board may decide from time to time, subject however to a ceiling of 1,00,000/- (Rupees One Lakhs Only) per month .
- iii) Medical Allowance : ₹1250 (One Thousand Two Hundred and Fifty Only) per month.
- iv) Transport allowance : Nil
- v) Special Allowance : ₹ 17196 (Seventeen Thousand One Hundred and Ninty Six Only) per month.
- vi) City Compensatory Allowance : NIL.

II Other Benefits :

- i) **Leave Travel Allowance** : ₹ 2873(Rupees Two Thousand Eight Hundred and Seventy Three Only) per month

III STATUTORY BENEFITS :

- i) Medical Insurance : ₹ 58 (Rupees fifty Eight Only) per month
- ii) Personal Accident Insurance : ₹: 60 (Rupees Sixty Only) per month.
- iii) Provident Fund Contribution (Employer's) : ₹ 7293 (Rupees Seven Thousand Two Hundred and Ninty Three Only).

IV ADDITIONAL ALLOWANCE:

- i) Performance Linked Incentives : NIL



OTHER ALLOWANCES / BENEFITS, PERQUISITES : Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and/ or any other allowance, perquisites as the Board may from time to time decide.

- C. Annual remuneration review is from 1st April each year, as per the policy of the Company.
- D. Subject as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.
- E. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of **Mr. Anant Satish Pathak (DIN : 05338978)**, Managing Director will be considered as continuous service with the Company from the date of his joining.
- F. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.
- G. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to **Mr. Anant Satish Pathak (DIN : 05338978)** in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, , Managing Director if required.
- H. The Nomination, Remuneration and Compensation Committee will review and recommend the remuneration payable to the Managing Director during the tenure of his appointment.

5. **As an Ordinary Resolution: To Consider and to Regularize the appointment of Mr. Vineet Kumar Tripathi (DIN: 07229156) Additional Director as an Independent & Non- Executive Director**, and in this regard, pass the following resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”), and the Rules made there under read with Schedule IV to the Companies Act, 2013, including any statutory modifications and amendments thereof, **Mr. Vineet Kumar Tripathi (DIN: 07229156)**, who was appointed as an Additional Director (Independent and Non Executive Category) of the Company with effect from **01-04-2019**, entitled to hold office up to the conclusion of the ensuing Annual General Meeting and whose term expires at this Annual General Meeting, and who has submitted a declaration to the effect that he meets the criteria of independence as provided under section 149(6) of the Companies Act 2013 and Rules made thereof and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the Office of director, be and is hereby appointed as an Independent Director and Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from the conclusion of this AGM till the conclusion of 37th AGM or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines thereto.”

6. **As an Ordinary Resolution: To Consider and to Regularize the appointment of Ms. Kirti Tripathi (DIN: 07140094) Additional Director as an Independent & Non Executive Director (Independent Woman Director)** and in this regard, pass the following resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”), and the Rules made there under read with Schedule IV to the Companies Act, 2013, including any statutory modifications and amendments thereof, **Ms. KIRTI TRIPATHI (DIN:07140094)**, who was appointed as an Additional Director (Independent and Non Executive category) of the Company with effect from **01-04-2019**, entitled to hold office up to the conclusion of the ensuing Annual General Meeting and whose term expires at this Annual General Meeting, and who has submitted a declaration to the effect that she meets the criteria of independence as provided under section 149(6) of the Companies Act 2013 and Rules made thereof and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of director, be and is hereby appointed as an Independent Director and Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from the conclusion of this AGM till the conclusion of 37th AGM or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines thereto.”

7. **As an Ordinary Resolution :** To Consider and to Regularize the appointment of **Mr. Sirish Kumar Sahoo (DIN : 08052666)** Additional Director as Non- Independent & Non Executive Director and in this regard, pass the following resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”), and the Rules made there under read with Schedule IV to the Companies Act, 2013, including any statutory modifications and amendments thereof, **Mr. Sirish Kumar Sahoo (DIN:08052666)**, who was appointed as an Additional Director (Non- Independent & Non Executive Director Category) of the Company with effect from **01-04-2019**, entitled to hold office up to the conclusion of the ensuing Annual General Meeting and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the Office of director, be and is hereby appointed as an Non Independent Director and Non-Executive Director of the Company, liable to retire by rotation, to hold office for a term of five consecutive years from the conclusion of this AGM till the conclusion of 37th AGM or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines thereto”.

By Order of the Board of Directors

For Melstar Information Technologies Limited

S/d-
Sirish Kumar Sahoo
Director
DIN : 08052666

Place: Mumbai
Date: 12.08.2019

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company (a copy of the proxy form is attached). The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than Forty-Eight (48) hours before commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Annual Report and AGM Notice is available at the website of the Company at www.melstar.com in the Investor Info section.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, The 20th September, 2019 to Thursday, The 26th September, 2019 (both days inclusive) for annual closing.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. Members desirous of making nomination as permitted under Section 72 of the Companies Act, 2013 in respect of the physical shares held by them in the Company, can make nominations in Form SH-13, which can be procured from the Registrar and Share Transfer Agent M/s Bigshare Services Private Limited (RTA). The Members holding shares in demat form may contact their respective depository participants for such nominations.
9. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Private Limited (RTA), for consolidation into a single folio.
10. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on Friday, The 20th September, 2019.
11. M/s Anil Kumar Somani, Practicing Company Secretary, bearing COP No. 13379 and Membership no. 36055 has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
12. The final results including the poll and remote e-voting results of the AGM of the Company shall be declared within 48 hours from the conclusion of the Annual General Meeting. The final results along with the scrutinizers report shall be placed on the Company's website www.melstar.com immediately after the result is declared by the Chairman.
13. In terms of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, the Company is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on The Cut-Off Date, being Thursday, the 19th September, 2019, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice (the "Remote e-voting"). The remote e-voting commences on Monday, the 23rd September, 2019 (09.00 a.m.) and ends on Wednesday, the 25th September, 2019 (5:00 p.m.). Detail of the process and manner of Remote e-voting along with the User ID and Password is being sent to all the Members along with the Notice.
14. In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on The Cut-Off Date being Thursday, the 19th September, 2019.
15. The Notice of the Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

Voting through electronic means:

How do you vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.



Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat(NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

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3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Anil Somani [corporatesolutions14@gmail.com] with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- I. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.:1800-222-990 or contact Compliance Officer Ms. Rajbala Kiroriwal at e-mail id companysecretary@melstar.com
- II. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
In case Shareholders are holding shares in Demat mode, USER-ID is the combination of (DPID+ ClientID).
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- III. You can also update your mobile number and e-mail id in the user profile of the folio which may be used for sending future communication(s).
- IV. You can also update your mobile number and e-mail id in the user profile of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on The Cut-Off Date i.e. Thursday, The 19th September, 2019.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of The Cut-Off Date i.e. Thursday, The 19th September, 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or ujata@bigshareonline.com
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. M/s Anil Somani & Associates, Practicing Company Secretary, bearing COP No. 13379, and Membership no. 36055 has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of "remote e-voting" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiner's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared along with the report of the Scrutinizer shall be place on the website of the Company www.melstar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India.



There will be one e-vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.

XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.melstar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India.

There will be one e-vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders

Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) The following Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice.

Item 3 & 4:

Mr. Anant Satish Pathak (DIN: 05338978) was appointed as an Additional Director (Non Executive Director, Independent Category) on 01.02.2019 as per the provisions of Section 161(1) and section 149(1) read with the Companies (Appointment and Qualification of Directors) Rules 2014 and other applicable provision (including any modification or enactment thereof), if any, of the Companies Act 2013 read with the Articles of Association of the Company, vide Circular resolution no 1/2019. The board took note of the Same in the subsequent Board Meeting held on 12.02.2019.

Mr. Anant Satish Pathak (DIN: 05338978) resigned in the Board Meeting held on 12th August 2019 with immediate effect.

Mr. Anant Satish Pathak (DIN: 05338978) is appointed as additional Director in executive Category with effect from 13th August 2019 in the board Meeting held on 12th August 2019.

In Order to Comply with the provision of Companies Act 2013 and SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015 Mr. Anant Satish Pathak (DIN: 05338978) is appointed (change in Designation) as Managing Director of the Company in the Board Meeting held on 12th August 2019 with effect from 13th August 2019 subject to the Approval of Shareholder in the ensuing Annual General Meeting.

Item no 5.

The Board of Directors has pursuant to Section 161(1) and section 149(1) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and other applicable provision (including any modification or enactment thereof), if any, of the Companies Act 2013 read with the Articles of Association of the Company, **Mr. Vineet Kumar Tripathi (DIN :07229156)** appointed as an Additional Director of the Company with effect from 01.04.2019 who hold office up to the ensuing Annual General Meeting and being eligible offers himself for appointment.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature for appointment of **Mr. Vineet Kumar Tripathi (DIN: 07229156)** for the office of Director of the Company.

The Board after receiving the declaration under Section 149(6) of the Act from **Mr. Vineet Kumar Tripathi (DIN : 07229156)**, is of opinion that he meets the criteria of Independence and fulfils the conditions specified in the Act and the Rules framed thereunder for his appointment as Independent and Non Executive Director of the Company.

The matter regarding appointment of **Mr. Vineet Kumar Tripathi (DIN : 07229156)** as Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as Independent Director for a term of five years from the conclusion of this AGM till the conclusion of 37th AGM.

The terms and conditions of appointment of **Mr. Vineet Kumar Tripathi (DIN:07229156)** shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Item no 6.

The Board of Directors has pursuant to Section 161(1) and second proviso to section 149(1) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and other applicable provision (including any modification or enactment thereof), if any, of the Companies Act 2013 read with the Articles of Association of the Company, **Ms. Kirti Tripathi (DIN :07140094)** appointed as an Additional Director of the Company with effect from 01.04.2019 who hold office up to the ensuing Annual General Meeting and being eligible offers herself for appointment.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature for appointment of **Ms. Kirti Tripathi (DIN:07140094)** for the office of Director of the Company.

The Board after receiving the declaration under Section 149(6) of the Act from **Ms. Kirti Tripathi (DIN :07140094)**, is of opinion that she meets the criteria of Independence and fulfils the conditions specified in the Act and the Rules framed thereunder for her appointment as Independent and Non Executive Director of the Company.

The matter regarding appointment of **Ms. Kirti Tripathi (DIN :07140094)** as Independent Director was placed before the Nomination & Remuneration Committee, which recommends her appointment as Independent Director for a term of 5 years from the conclusion of this AGM till the conclusion of 37th AGM.

The terms and conditions of appointment of **Ms. Kirti Tripathi (DIN :07140094)** shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

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Item no. 7

The Board of Directors has pursuant to Section 161(1) and second proviso to section 149(1) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and other applicable provision (including any modification or enactment thereof), if any, of the Companies Act 2013 read with the Articles of Association of the Company, **Mr. Sirish Kumar Sahoo (DIN:08052666)** appointed as an Additional Director of the Company with effect from 01.04.2019 who hold office up to the ensuing Annual General Meeting and being eligible offers himself for appointment.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature for appointment of **Mr. Sirish Kumar Sahoo (DIN: 08052666)** for the office of Director of the Company.

The matter regarding appointment of Mr. Sirish Kumar Sahoo (DIN:08052666) as non Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as Non Independent Director for a term of 5 years from the conclusion of this AGM till the conclusion of 37th AGM.

The terms and conditions of appointment of **Mr. Sirish Kumar Sahoo (DIN:08052666)** shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

• Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting

1. Detail of Director	
Name of the Director	Mr. Anant Satish Pathak (DIN :05338978)
Date of Birth	07/05/1984
Qualifications	Management Graduate
Date of appointment	01.02.2019 till 12.08.2019 Appointed on 12.08.2019 w.e.f 13.08.2019 (as Managing Director subject to Approval of Shareholder in ensuing Annual General Meeting.
Expertise in specific functional Area	Mr. Anant Satish Pathak aged 34 years has vast Corporate experience of 12 years in the field of Financial and Operations. His key skills include budget Control, risk management, merger & Amaglamation, diversification etc.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited
Company's shares held	Nil

2. Detail of Director	
Name of the Director	Mr.Vineet Kumar Tripathi (DIN: 07229156)
Date of Birth	02/07/1971
Qualifications	Mr.Vineet Kumar Tripathi is fellow member of of ICSI and MBA (Finance)
Date of appointment	01.04.2019
Expertise in specific functional Area	Mr.Vineet Kumar Tripathi has vast and wide experience in Compliances , Finance and Management. He has worked with Aditya Birla Group, Zee and Kitply Industries.He is associated with Yash Birla Group since last five years.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited
Company's shares held	Nil



3. Detail of Director	
Name of the Director	Mr. Sirish Kumar Sahoo (DIN : 08052666)
Date of Birth	17/11/1989
Qualifications	Mr. Sirish Kumar Sahoo has done his MBA in finance and Marketing from KIIT School of Management,
Date of appointment	01.04.2019
Expertise in specific functional Area	Mr. Sirish Kumar Sahoo has six year of Experience in Banking and Indian Stock Market. He has worked with two renowned Bank, ICICI and AXIS Bank .He has Five year of Experience in Banking Sector. He was Co founder of Biznotech Super V.ision. He is associated with with Yash Birla Group since last Six Month.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited
Company's shares held	Nil

4. Detail of Director	
Name of the Director	Ms. Kirti Tripathi (DIN: 07140094)
Date of Birth	08/07/1973
Qualifications	Ms.Kirti Tripathi MSc, B.ED and Junior Reserch Scholar from Banaras Hindu University
Date of appointment	01.04.2019
Expertise in specific functional Area	Ms.Kirti Tripathi is founder member of Bhargwa Education Centre Trust. She is also fellow promoter of othe Educational Trust.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited
Company's shares held	Nil

None of the Directors, Key Managerial Personnel and their relatives other than Anant Satish Pathak, Kirti Tripathi, Vineet Kumar Tripathi and Sirish Kumar Sahoo are concerned or interested in the said resolutions. The Board of Directors recommends the said resolution for your approval

The Board recommends the resolution as set out in Item No.1, 3, 4, 5, 6 &7 of the Notice for Members' approval.

For **Melstar Information Technologies Limited**

Place: Mumbai
Date: 12.08.2019

S/d-
Sirish Kumar Sahoo
Director
DIN : 08052666

DIRECTORS' REPORT:

Dear Members,

The Board of Directors hereby pleased to submit the report of the business and operation of your Company ("The Company" or "MELSTAR INFORMATION TECHNOLOGIES LIMITED") along with the Audited financial Statements, for the financial year ended **March 31, 2019**.

1. FINANCIAL RESULTS:

(₹ in Lakhs)

PARTICULAR	2018-19	2017-18
Net Sales/ Income from Operations	343	335
Other Operating Income	904	364
Operating Profit / (Loss) before Interest and Depreciation (PBIDTA)	77	(31)
Finance Cost	86	194
Depreciation	1	28
Operating Profit / (Loss) before Tax	(10)	(253)
Other Income, net	-	-
Net Profit / (Loss) before tax and Exceptional Items	(10)	(253)
Exceptional Items	-	-
Net (Loss) before tax and after Exceptional Items	(10)	(253)
Provision for Taxation	0	(19)
Net (Loss) after Tax	(10)	(272)
Other comprehensive income	(1)	(5)
Deficit Brought Forward From Previous Year	(1,309)	(1,033)
Less: Adjustments relating to Fixed Assets on Application of Schedule- II of the Companies Act, 2013	-	-
Balance Carried to Balance Sheet	(1,320)	(1,309)
Face Value of Equity Shares (in Rupees)	10	10
EPS - Basic and Diluted (Before Exceptional Item) (in Rupees)	(0.07)	(1.90)
EPS - Basic and Diluted (After Exceptional Item) (in Rupees)	(0.07)	(1.90)
Book Value per Share (in Rupees)	0.81	0.89

2. OPERATIONS:

The Net Sales of the Company for the financial year ended on 31st March, 2019 were ₹343 Lakhs as against ₹335 Lakhs during the last financial year ended on **31st March, 2018**.

3. DIVIDEND:

No Dividend is declared for the financial year ended 31st March 2019 due to the financial position of the Company.

4. TRANSFER TO RESERVE

No Transfer has been made to General Reserve as the Company has suffered losses.

5. SUBSIDIARY(S)

The Company doesn't have any subsidiary as on **31st March 2019**.

6. BUSINESS DESCRIPTION

Our Strategic objective is to build sustainable organization that remains relevant to the agenda of our Clients, while creating growth opportunities for our employees and generating profitable growth for our Investors.

7. EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

The major event has occurred subsequent to the date of Financial Statements .The management of the Company has changed.

Mr. Anant Satish Pathak (DIN: 05338978) has been appointed as Managing Director subject to the approval of Shareholders in the ensuing Annual General Meeting.

Mr.Vineet Kumar Tripathi(DIN:07229156) and Ms. Kirti Tripathi (DIN: 08052666) has been appointed as Additional Director (Independent –Non Executive Director) subject to the approval of Shareholders in the ensuing Annual General Meeting



Mr. Sirish Kumar Sahoo (DIN: 08052666)has been appointed as Additional Director (Non - Independent & Non Executive Director) subject to the approval of Shareholders in the ensuing Annual General Meeting.

Mr.Bhalchandra Yashwant Shinde(DIN : 07978440) and Mr. Durgesh Yashwant Jadhav (DIN:08000007)has vacate the office under section 167 of the Companies Act 2013 due to disqualification under Section 164(2) of the Companies Act 2013.

Ms. Sadhana Avinash Patil (DIN:06565115) has resigned from the office of Director due to her personal reason.

Mr. Ashish Ramesh Mahendrakar resigned from the post of Chief executive officer w.e.f 14th June 2019.

8. CHANGE IN THE NATURE OF BUSINESS IF ANY:

There is no major change in the nature of Business during the year under the review, however the Board of Directors have decided to expand the Operation of the Company outside India. There is also a plan of diversification considering the Opportunities available in the IT Sector Globally.

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Policy are given in the Corporate Governance Report and the Policy is posted on the Company's website.

10. CORPORATE GOVERNANCE:

The Company adheres to corporate culture of integrity and consciousness. Corporate Governance is a journey for constantly improving sustainable value creation. As required under the provision of **Regulation 34** read with **Schedule V** of the SEBI Listing Regulations, a separate report on Corporate Governance forms part of this Annual Report, together with a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance.

11. EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return as provided under **Section 92(3)** of the Companies Act, 2013 in **Form MGT-9** is annexed herewith as **ANNEXURE-I** to this Report.

12. NUMBER OF BOARD MEETING:

The Board of Directors met **Five** times in the year as on **11.05.2018, 29.05.2018, 10.08.2018, 13.11.2018 and 12.02.2019** the details of which are provided in the Corporate Governance Report.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of **Section 186** of the Companies Act, 2013 are given in the notes to the Financial Statements.

14. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provision of Regulation 34 of the SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, the Management's discussion and analysis is set out in this Annual Report.

15. RELATED PARTY TRANSACTIONS:

No related party Transactions were entered with related party during the year under review. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large. The detail of the transactions with Related Parties to be provided in FORM **AOC-2** is annexed herewith as **ANNEXURE-II**.

The policy on Related Party Transactions as approved by the Audit Committee and Board is uploaded on the Company's website at the link <http://www.melstar.com/policies.html>.

16. RISK MANAGEMENT REPORT:

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a proper defined framework.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators or Courts or tribunals impacting the going Concern status and the Company operation in future.

18. INTERNAL CONTROL SYSTEM:

Your Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conducts Audit of various departments to ensure that internal controls are in place and submits for each quarter reports to the Audit Committee. The Audit Committee regularly reviews these Reports and when needed takes corrective actions.

19. HUMAN RESOURCES:

At Melstar, human resource are treated as an important asset and believe in its Contribution in overall growth of the Company. Here, we focus on the workplace of tomorrow that promotes a collaborative, transparent and participative organization culture, encourages innovation and rewards individual Contribution. The Focus of Human Resources Management at Melstar is to ensure that we enable each and every employee to navigate the next, not just for clients, but also for themselves. We have re-imagined our employee value proposition, to make it more meaningful to our employee.

The Statagic Pillars under this are :

- Inspiring them to build what's next
- Making Sure their Career never Stand Still
- Navigating Further together
- Upgrade and Enhance the quality and strive to maintain it in agile and responsive form
- Equal Opportunities for employer and practices fair employment policies
- Effective Contribution to the Long term Value Enhancement of the Organization.
- Building Confidence for effective Contribution to the Long Term Value Enhancement of the Organization.

20. PARTICULARS OF JOINT VENTURES OR ASSOCIATE COMPANY:

The Company does not have any Joint Venture with any person or an associate Company as defined under **Section 2(6)** of the Companies Act, 2013 ('the Act').

21. FIXED DEPOSITS:

During the year under review, your Company has not accepted any fixed Deposits and there were no unclaimed deposits or interest thereon as on **31st March, 2019**.

22. COMMITTEES OF THE BOARD

As on March 31, 2019 the Board has three Committee : "Audit Committee", "The Nomination and Remuneration Committee" and "The Stakeholders Relationship Committee". The details of which are provided in the Corporate Governance Report.

23. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the Orderly and efficient conduct of its business, including adherence to the Company's policies, Safeguarding of its assets, prevention and deduction of Fraud, error reporting mechanisms , accuracy and completeness of the Accounting records, and timely preparation of reliable financial disclosures.

Criteria for appointment of Independent Directors

The Independent Director shall be of high integrity with relevant expertise and experience with Director having expertise in the fields of manufacturing, marketing, finance, law, governance and general management, so as to have a diverse Board.

Remuneration Policy

The Company follows a policy on remuneration of Directors , Senior Management and Employees, details of which are given in **the Corporate Governance Report**.

24. SECRETARIAL STANDARDS

The Company complies with all the applicable Mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

25. LISTING ON STOCK EXCHANGES :

The Company's shares are listed on **BSE Limited** and **NSE Limited**.

26. DIRECTORS' RESPONSIBILITY STATEMENT:

As stipulated under **Section 134(3)(c) & (5)** of the Companies Act, 2013, your Directors confirm as under:-

- i) that in the preparation of the accounts for the financial year ended **31st March 2019**, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the accounts for the financial year on going concern basis.
- v) the Directors have laid down internal financial controls, which are adequate and were operating effectively.



vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. ANNUAL EVALUATION:

The performance of Board of Directors and the Committees constituted by the Board and the Individual Directors has been evaluated during the Financial Year ended **31st March, 2019**.

28. PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under **Section 197(12)** of the Act read with **Rule 5(1)** of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014 are provided as per **ANNEXURE -III**.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Information pursuant to **Section 134(3)(m)** of the Companies Act, 2013 read with **Rule 8** of The Companies (Accounts) Rules, 2014, is given in **ANNEXURE -IV** to this report.

30. AUDITORS:

i) STATUTORY AUDITORS:

In view of the provision of Section 139, 142 and other applicable provisions if any, of the Companies Act 2013 or any amendment thereof or modification thereof, **M/s Sarda & Pareek** (FRN 109262W) was appointed as Statutory Auditor for the period of three financial year from 01/04/2018 to 31/03/2021 in the 31st Annual General Meeting held on 27th September 2018.

M/s Sarda & Pareek (FRN 109262W) continues to be the Statutory Auditor of the Company as per the provision of the Companies Act 2013.

ii) SECRETARIAL AUDITORS:

According to the provision of **Section 204** of the Companies Act, 2013 read with **Rule 9** of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed in **FORM MR-3** as a part of this report **ANNEXURE-V**.

iii) COST AUDITORS: Cost Audit is not applicable to the Company.

31. PURCHASE OF SHARES OF THE COMPANY:

The Company does not give any loan, guarantee or security, or any financial assistance to the employees of the Company for the purpose of purchase or subscription for any shares of the Company or its holding Company pursuant to Section 67(2) of the Companies Act, 2013.

32. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The provisions of **Section 135** of the Companies Act, 2013 are not presently applicable to the Company.

33. ISSUE OF SHARES WITH DIFFERENTIAL VOTING RIGHTS:

The Company has not issued any shares with differential Voting Rights pursuant to the provisions of **Rule 4** of the Companies (Share Capital and Debenture) Rules, 2014.

34. ISSUE OF SWEAT EQUITY SHARES:

During the year under review, the Company has not issued any sweat equity shares to any of its employees, pursuant to the provisions of **Rule 8** of the Companies (Share Capital and Debenture) Rules, 2014.

35. EMPLOYEE STOCK OPTION:

The Company does not have any Employee Stock Option Scheme for its employees.

36. ACKNOWLEDGEMENT

We thank our Customer, investors, Government and Semi Government Authorities, Shareholders, Bankers and Financial Institutions and for their continued co-operation and support. The Director also expresses their warm appreciation for the dedicated and sincere services rendered by the Employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd-
Vineet Kumar Tripathi
(Director)
(DIN: 07229156)

Sd-
Sirish Kumar Sahoo
(Director)
DIN: 08052666

Place: Mumbai

Date: 12.08.2019

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2019.

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	:	L99999MH1986PLC040604
ii	Registration Date	:	12th August ,1986
iii	Name of the Company	:	MELSTAR INFORMATION TECHNOLOGIES LIMITED
iv	Category/Sub-Category of the Company	:	Listed Public Limited Company by Shares
v	Address of the Registered Office and contact details	:	159 Industry House, 5th floor, Reclamation Churchgate, Mumbai – 400020. Tel: 022 62356400 Fax: 022 62356402
	Address of Corporate Office and contact details	:	159 Industry House, 5th floor, Reclamation Churchgate, Mumbai – 400020. Tel: 022 62356400
vi	Whether listed Company	:	Yes
vii	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	:	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai 400059. Tel: 022 62638200, Fax: 022 28475207

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & Description of main products/services	NIC Code of the Product/service	% of total turnover of the Company
1	Software Services & Staffing	9983	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
	NIL	NA	NIL	NIL	NIL

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(I) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year (As on 1st April,2018)				No. of shares held at the end of the year (As on 31st March,2019)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
A. Promoters									
(1)Indian									
a)Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b)Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c)State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d)Bodies Corporate	6720976	0	6720976	47.06	6720976	0	6720976	47.06	0.00
e)Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	6720976	0	6720976	47.06	6720976	0	6720976	47.06	0.00



(2)Foreign										
a)NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b)Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c)Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
d)Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00	
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00	
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	6720976	0	6720976	47.06	6720976	0	6720976	47.06	0.00	
B. Public Shareholding										
1. Institutions										
a)Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00	
b)Banks/FI	100000	0	100000	0.70	100000	0	100000	0.70	0.00	
c)Central Govt	0	0	0	0.00	0	0	0	0.00	0.00	
d)State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
e)Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
f)Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	
g)FIIs	0	0	0	0.00	0	0	0	0.00	0.00	
h)Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
i)Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00	
Sub-total (B)(1):-	100000	0	100000	0.70	100000	0	100000	0.70	0.00	
2.Non-Institutions										
a)Bodies Corporate	447200	3001	450201	3.15	442658	3001	445659	3.12	(0.31)	
b)Individuals										
i)Individual shareholders holding nominal share capital upto of ₹ 1 lakh	4264258	196350	4460608	31.32	4236920	192900	4429820	31.01	(0.22)	
ii)Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	2261956	0	2261956	15.84	2280568	0	2280568	15.97	0.13	
c)Others (specify)										
i)Trust	0	0	0	0.00	0	0	0	0.00	0.00	
ii)Clearing member	41149	0	41149	0.29	62867	0	62867	0.44	0.15	
iii)Directors Relative	0	0	0	0.00	0	0	0	0.00	0.00	
iv)Employee	0	0	0	0.00	0	0	0	0.00	0.00	
v)NRI	189299	0	189299	1.33	184299	0	184299	1.29	(0.04)	
vi) OCB	0	58950	58950	0.41	0	58950	58950	0.41	0.00	
vii) Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00	
Sub-total (B)(2):-	7203862	258301	7462163	52.24	7207312	254851	7462163	52.24	(0.00)	
Total Public Shareholding (B)=(B)(1)+(B)(2)	7303862	258301	7562163	52.94	7307312	254851	7562163	52.94	(0.00)	
C. Shares held by custodian for GDRs & ADRs										
Grand Total(A+B+C)	14024838	258301	14283139	100.00	14028288	254851	14283139	100	(0.00)	

(ii) Shareholding of Promoters

Sr. No.	Shareholders	Shareholding at the beginning of the year (As on 1st April, 2018)			Shareholding at the end of the year (As on 31st March, 2019)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Birla Bombay Private Limited	643286	4.5038	0	643286	4.5038	0	0
2	Godavari Corporation Private Limited	842644	5.8996	0	842644	5.8996	0	0
3	Godavari Corporation Private Limited	904889	6.3354	904889	904889	6.3354	904889	0
4	Shearson Investment & Trading Co. Pvt Ltd	2101908	14.716	0	2101908	14.716	0	0
5	Nirved Traders Private Limited	2228249	15.6006	2228249	2228249	15.6006	2228249	0
	Total	6720976	47.0554	3133138	6720976	47.0554	3133138	0

a. Change in Promoter's Shareholding (Specify if there is no change)

Sr. no		Shareholding at the beginning of the year 1st April 2018		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	6720976	47.06	6720976	47.06
2.	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NIL	NIL	NIL	NIL
3.	At the end of the year			6720976	47.06

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. no	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2018)		Date	INCREASE/ DECREASE IN THE SHAREHOLDING	REASON	Shareholding at the end of the year (31.03.2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shashi Rani Gupta	156230	1.09	31.03.2018	0	Transfer	156230	1.09
				31.03.2019	0	Transfer	156230	1.09
2	Pravin C Shantilal Mehta	155420	1.09	31.03.2018	0	Transfer	155420	1.09
				31.03.2019	0	Transfer	155420	1.09
3	Pankaj Mithalal Gandhi	128551	0.09	31.03.2018	0	Transfer	128551	0.90
				31.03.2019	0	Transfer	128551	0.90
4	Rajiv Jawahar Shah Huf	116984	0.82	31.03.2018	0	Transfer	116984	0.82
				29.06.2018	-2500	Transfer	114484	0.80
				30.03.2019	0	Transfer	114484	0.80
5	Sunil Mark Fernandes	112995	0.79	31.03.2018	0	Transfer	112995	0.79
				10.08.2018	-3801	Transfer	109194	0.76
				14.09.2018	-6000	Transfer	103194	0.72
				20.09.2018	-3000	Transfer	100194	0.70
				27.09.2018	-1937	Transfer	98257	0.69
				30.03.2019	0	Transfer	98257	0.69
6	Bhavesh Dhiresbhai Shah	196816	1.38	31.03.2018	0	Transfer	196816	1.38
				31.03.2019	0	Transfer	196816	1.38



Sr. no	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2018)		Date	INCREASE/ DECREASE IN THE SHAREHOLDING	REASON	Shareholding at the end of the year (31.03.2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	Pramesh Narendra Gandhi	1070	0.01	31.03.2018	0	Transfer	1070	0.01
				22.02.2019	100152	Transfer	101222	0.71
				30.03.2019		Transfer	101222	0.71
8	Narendra Narandas Gandhi	100152	0.70	31.03.2018	0	Transfer	100152	0.70
				22.02.2019	-100152	Transfer	0	0
				31.03.2019	0	Transfer	0	0
9	General Insurance Corporation Of India	100000	0.70	31.03.2018	0	Transfer	100000	0.70
				31.03.2019	0	Transfer	100000	0.70
10	Anand Mohan	94699	0.66	31.03.2018	0	Transfer	94699	0.66
				10.08.2018	-15000	Transfer	79699	0.56
				17.08.2018	-9700	Transfer	69999	0.49
				30.03.2019	0	Transfer	69999	0.49
11	Roopa Corporate Services Pvt. Ltd.	85000	0.60	31.03.2018	0	Transfer	85000	0.60
				31.03.2019	0	Transfer	85000	0.60

(iv) Shareholding of Directors and Key Managerial Personnel:

Sr. no	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	MR. DURGESH YASHWANT JADHAV	0	0.00	0	0.00
2	MS.SADHANA AVINASH PATIL	0	0.00	0	0.00
3	MR.BHALCHANDRA YASHWANT SHINDE	0	0.00	0	0.00
4	MR.ANANT SATISH PATHAK	0	0	0	0
5	MR. ASHISH RAMESH MAHENDRAKAR	0	0	0	0
6.	CS FARIDA MURTUZA BHATIA	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

PARTICULARS	SECURED LOANS EXCEEDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	916.69	247.00	-	1,163.69
ii) Interest Due but not Paid	2.43	-	-	2.43
iii) Interest Accrued but not Due	-	-	-	-
Total (i+ii+iii)	919.12	247.00	-	1,166.12
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-
Reduction	919.12	-	-	919.12
Net Change	919.12	-	-	919.12
Indebtedness at the end of the Financial Year				
i) Principal Amount	(0.00)	247.00	-	247.00
ii) Interest Due but not Paid	-	-	-	-
iii) Interest Accrued but not Due	-	-	-	-
Total (i+ii+iii)	(0.00)	247.00	-	247.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**(1) Remuneration to Managing Director, Whole-time Directors and/or Manager/ CEO/CFO :**

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Remuneration to Director, Whole-time Directors and/or Manager	
			Total Amount
1	Gross Salary	NIL	NIL
	a) Salary as per provisions contained in section 17(1) of Income- Tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify	-	-
5	Others, please specify		
	Total (A)	NIL	NIL

(2) Sitting fee to Independent Directors & non executive Director and Non-Executive Directors & non Independent Director

Sr. No.	Name	Mr. Durgesh Yashwant Jadhav	Mr. Bhalchandra Yashwant Shinde	Ms. Sadhana Avinash Patil	Mr. Anant Satish Pathak	Total
1	Independent Directors & non executive Director					
	Fee for attending board and committee meetings	0.50	0.15	0.65	0.15	1.45
	Commission	-	-	-	-	0
	Others, please specify	-	-	-	-	0
	Total (1)	0.50	0.15	0.15	0.15	1.45
2	Non-Executive Directors & non Independent Director					
	Fee for attending board committee meetings	0.15	0.50	-	-	0.65
	Commission	-	-	-	-	0
	Others, please specify	-	-	-	-	0
	Total (2)	0.15	0.50	0	0	0
	Total (1+2)	0.65	0.65	0.65	0.15	2.10



(3) Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Remuneration to CFO , CEO & CS		Total Amount
		Mr.ASHISH RAMESH MAHENDRAKAR	Ms Farida Murtuza Bhatia CS*	
1	Gross Salary	₹	₹	₹
	a) Salary as per provisions contained in section 17(1) of Income-Tax Act, 1961	11.99	2.95	14.94
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	11.99	2.95	14.94

VII. PENALTIES/PUNISHMENT /COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
There were no penalties, punishment or compounding of offences against the Company or against any of its Directors or Officers in default, during the year ended 31st March, 2019.					

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd-
Vineet Kumar Tripathi
(Director)
(DIN: 07229156)

Sd-
Sirish Kumar Sahoo
(Director)
DIN: 08052666)

Place: Mumbai

Date: 12.08.2019

AOC-2
(Pursuant to 134(3) (h) of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered by the company with related parties referred to in sub section (1) of **Section 188** of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis: **None**
2. Details of contracts or arrangements or transactions at Arm's length basis: **None**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd-
Vineet Kumar Tripathi
(Director)
(DIN: 07229156)

Sd-
Sirish Kumar Sahoo
(Director)
(DIN: 08052666)

Place: Mumbai

Date: 12.08.2019



ANNEXURE-III

Information pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. Ratio of Remuneration of each Director to the median remuneration of employees for the financial year ended 31st March, 2019.

(₹ in` Lakh)

Name	Designation	Ratio	Remuneration	Median Remuneration
Mr. Ashish Ramesh Mahendrakar	CEO & CFO	3.56	11.99	3.37
Mr. Durgesh Yashwant Jadhav (DIN:08000007)	Director	0.19	0.65	3.37
Mr. Bhalchandra Yashwant Shinde (DIN : 07978440)	Director	0.19	0.65	3.37
Ms. Sadhana Avinash Patil (DIN:06565115)	Director	0.19	0.65	3.37
Mr. Anant Satish Pathak (DIN : 05338978)	Director	0.04	0.15	3.37

(*) Melstar Information Technologies Limited paid only sitting fees to the non -executive Directors.

2. % Increase of remuneration of each Director, CFO, CEO, CS in the Financial Year.

DIRECTOR	% Increase
Mr. Durgesh Yashwant Jadhav	-
Mr. Bhalchandra Yashwant Shinde	-
Ms. Sadhana Avinash Patil	-
Mr. Anant Satish Pathak	-
CFO , CEO & COMPANY SECRETARY	
Mr. Ashish Ramesh Mahendrakar	-
Ms. Farida Murtuza Bhatia	-

3. During the year ended 31st March, 2019, there was increase of 27.85% in median remuneration of employees.
4. Number of permanent Employees on the roll of the company **133 as on 31st March, 2019**
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10%
- Percentile increase in the managerial remuneration: 0%
- Average increase in the remuneration of employee is in line with market scenario and as a measure to motivate employees for better future performance.
6. The key parameter for any variable components of the remuneration of the Director: **NIL**
7. The key parameter for any variable components of the remuneration of the Director: **NIL**.
8. During the year ended 31st March, 2019 there was no employee, who is not a director of the company and received managerial remuneration in excess of the highest paid director of the Company.
9. It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and employees during the year is as per the Remuneration Policy of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd-
Vineet Kumar Tripathi
(Director)
(DIN: 07229156)

Sd-
Sirish Kumar Sahoo
(Director)
DIN: 08052666)

Place: Mumbai

Date: 12.08.2019

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC :

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

A. Conservation of Energy

The operations of the Company involve low energy consumption. Energy conservation measures have been taken wherever feasible. The Company has installed Power Factor correctors at the internal supply level to achieve high-energy efficiency. Efforts to conserve and optimize the use of energy through improved operational methods and other means is a continuous process.

B. Disclosure of particulars with respect to absorption of Technology, Research and Development (R&D).

No technology has been imported. Indigenous Technology available has been used for product development/component identifications or offering services and is continuously being upgraded to improve overall performance.

C. Foreign Exchange earnings & outgo

The share of the revenues from exports constituted 0% (0% for the previous year) of total revenues of the Company.

(₹ in lakhs)

	2018-19	2017-18
Total Foreign Exchange earnings*	0	0
Total Foreign Exchange outgo**	0	0

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd-
Vineet Kumar Tripathi
(Director)
(DIN: 07229156)

Sd-
Sirish Kumar Sahoo
(Director)
DIN: 08052666)

Place: Mumbai

Date: 12.08.2019



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Melstar Information Technologies Limited
159, Industry House, 5th Floor, Churchgate Reclamation
Mumbai MH 400020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Melstar Information Technologies Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance's and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliance's

The company's Management is responsible for preparation and maintenance of secretarial records and for devising proper system to ensure compliance with the provisions of applicable laws and regulations.

Auditor's Responsibility

My responsibility is to express an opinion on the Secretarial records, Standards, Procedures followed by the company with respect to Secretarial Compliance's.

I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.

Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed here-under and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (not applicable since there is no action/ event in pursuance of said regulation) **N.A.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable since there is no action/ event in pursuance of said regulation) **N.A.**
- (vi) The Environment (Protection) Act, 1986
- (vii) The EPF & Misc. Provisions Act, 1952;
- (viii) Employees' state Insurance Act, 1948;

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- (ix) The Payment of Bonus Act, 1965;
- (x) The payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:

1. The Company has not paid annual listing fee to BSE and NSE as per Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also not paid custody fee to CDSL /NSDL for the financial year 2018-19.
2. The website of the Company has not updated as per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the time of our inspection.
3. The Company has submitted certificate required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31.03.2019 to BSE Ltd. on 07.05.2019.
4. As per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has not appointed any executive director on the Board and Mr. Ashish Mahendrakar has appointed as Chief Executive Officer as well as Chief Financial Officer.
5. The Company Secretary and Compliance officer of the Company has resigned w.e.f. 28.02.2019. The Company has not appointed Company Secretary and Compliance officer as on date of report as per Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The Company has filed un-audited financial statements for the quarter ended 30.06.2018 to BSE Ltd. on 13.08.2018 delayed by 3 days.
7. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The Company has filed audited financial statements for the quarter ended 31.03.2019 to BSE Ltd. on 13.08.2018 delayed by 10 minutes due to technical issue and delay in filing the same to NSE due to non working of website and the same was send through email to NSE.
8. Mr. Durgesh Jadhav and Mr. Bhalachandra Shinde appointed as Non-Executive - Independent Director on the Board of the Company has disqualified under Section 164 of the Companies Act, 2013 for appointment as Director.

We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors but **the Company has not appointed any executive director on the Board**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. As confirmed by the management, Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Anil Somani & Associates**
Company Secretaries

S/d-
Anil Kumar Somani
ACS: 36055
COP:13379

Place: Bhilwara
Date: 12th August, 2019

This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.



To,
The Members
Melstar Information Technologies Limited
159, Industry House, 5th Floor, Churchgate Reclamation
Mumbai MH 400020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Anil Somani & Associates**
Company Secretaries

S/d-
Anil Kumar Somani
ACS: 36055
COP:13379

Place: Bhilwara
Date: 12th August, 2019

Management Discussion and Analysis Report

Introduction

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55 per cent market share of the US\$ 185-190 billion global services sourcing business in 2017-18. Indian IT & ITeS companies have set up over 1,000 global delivery centers in about 80 countries across the world.

India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

Market Size

India's IT & ITeS industry grew to US\$ 181 billion in 2018-19. Exports from the industry increased to US\$ 137 billion in FY19 while domestic revenues (including hardware) advanced to US\$ 44 billion.

Spending on Information Technology in India is expected to grow over 9 per cent to reach US\$ 87.1 billion in 2018.

Revenue from digital segment is expected to comprise 38 per cent of the forecasted US\$ 350 billion industry revenue by 2025.

Discussion On Financial Performance With Respect To Operational Performance:

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and the applicable Accounting Standards as well as the Generally Accepted Accounting Principles (GAAP) in India. The salient aspects of the financial performance of the Company have been dealt with at some length in the Director's Report. The Statements of Accounts of the Company duly audited are appended elsewhere in the Annual Report:

An Analysis of financial performance for the year ended 31st March, 2019 is given hereinafter:

Sr. No	PARTICULARS	As at March 31, 2019	As at March 31, 2018
1	Non-current assets		
	Property, plant and equipment	1.28	627.51
	Intangible Assets	0.07	0.12
	Intangible Assets under development	0.00	235.47
	Investment Property	0.00	0.00
	Financial Assets	-	-
	i. Investments	190.75	225.75
	Other non-current assets	29.01	41.32
2	Current assets		
	Financial assets		
	i. Trade receivable	33.18	109.61
	ii. Cash and cash equivalents	2.68	18.27
	iii. Loans & Deposits	883.77	323.83
	Current Tax Assets (Net)	204.63	717.77
	Other current assets	33.33	43.33
3	Equity		
	Equity share capital	1428.31	1,428.31
	Other equity	(1312.86)	(1,301.84)
4	Non-current liabilities		
	Financial Liabilities		
	i. Borrowings	0.00	0.00
	ii. Other Financial Liabilities	0.00	0.00
	Provisions	32.81	44.60



Sr. No	PARTICULARS	As at March 31, 2019	As at March 31, 2018
5	Current liabilities		
	Financial liabilities		
	i. Borrowings	247.00	1,163.69
	ii. Trade payables	-	-
	a. Total outstanding dues of micro enterprises and small enterprises		-
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	724.95	685.87
	iii. Other financial liabilities	-	3.88
	Provisions	17.98	21.94
	Other current liabilities	240.51	296.53
6	Impact of Foreign Exchange Fluctuations	-	-
7	Depreciation	1.09	28.46

Opportunities, Threats, Risks and Concerns:

We have been focusing on achieving task and are in process to develop and implement growth opportunities within and between organizations to expand IT business and wants to cover allover India for providing various services like IT and ITeS and other related activities. Strategy of the Company is to get higher profitability and stable cash flow generations in these markets. Satisfaction for providing services is very big challenge for us.

Internal Controls and Their Adequacies:

The internal control system is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transaction with proper authorization and ensuring compliance of corporate policies.

Human Resources/ Industrial Relations:

The Company believes and recognizes that its employees are a vital resource in its growth and to give competitive edge in the present business scenario. The company have been consistently investing in employees across all levels, in various ways. The Company takes pride in the commitment, competence and dedication shown by its employees in all areas.

Cautionary Statement:

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Company's philosophy on Code of Governance of "MELSTAR INFORMATION TECHNOLOGIES LIMITED (MITL)" considers Corporate Governance as a pre-requisite for meeting the needs of its stakeholders. The principles of transparency, accountability, trusteeship, creating robust policies and practices for key processes, equity in all facets of its operations and integrity are at the core of the Company's basic character.

The Board of Directors ('the Board') is at the core of our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of our stakeholders.

BOARD OF DIRECTOR

Composition of Board

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Companies Act, 2013 and in accordance with the best practices in Corporate Governance.

The Board comprises persons with high credentials of professional experience and expertise in diverse fields who actively contribute in the deliberations of the Board, covering all strategic policy matters and decisions.

The Composition of Board and category of Directors are as follows:

Past & Present Directors

(i) Past Directors :

SR. NO.	NAME OF DIRECTOR	DATE OF APPOINTMENT	DATE OF CESSATION
1	Mr. Durgesh Yashwant Jadhav (DIN:08000007)	13.11.2017	22.04.2019
2	Mr. Bhalchandra Yashwant Shinde (DIN : 07978440)	13.11.2017	22.04.2019
3	Ms.Sadhana Avinash Patil (DIN:06565115)	09.02.2018	22.04.2019
4	Mr. Anant Satish Pathak (DIN : 05338978)	01.02.2019	12.08.2019
5	Mr. Anant Satish Pathak (DIN : 05338978)	13.08.2019	----

(ii) Present Directors:

Name	Designation	Category of Directorship	No. of Directorships in other Companies as on 31st March, 2019		Committee Member-ships (Excl. MITL)	Committee Chairmanships*
1	2	3	4		5	6
			Other Listed Company	Unlisted Limited, Pvt. Ltd. Co., Foreign Co.		
Mr. Anant Satish Pathak (DIN:05338978)	Additional Director,	Non Executive and Non Independent from 01.02.2019 till 12.08.2019	0	3	Nil	Nil
	Additional Director, Managing Director	Again Appointed w.e.f 13.08.2019	0			
Mr.Vineet Kumar Tripathi (DIN: 07229156)	Additional Director,	Non executive Director, Independent	0	1	Nil	2
Mr. Sirish Kumar Sahoo(DIN : 08052666)	Additional Director,	Non executive Director, Non Independent	0	1	Nil	1
Ms.Kirti Tripathi (DIN: 07140094)	Additional Director,	Non executive Director, Independentc	0	1	Nil	0



In conformity with the provisions of the Act as well as the Company's Articles, the Board met at regular intervals to review the quarterly / annual results and to transact other business. The Agenda for the Board meetings, containing relevant matters as requisite, are distributed in advance to all the Board members.

The Board met Five times during the year ended 31st March, 2019 viz. on 11th May 2018, 29th May 2018, 10th August 2018, 13th November 2018 and 12th February 2019. The following table gives the attendance record of the Directors at the Board and Annual General Meeting.

Sr. No.	Name	Title	Status	No. of Board Meetings held	No. of Meetings Attended	Attendance at the last AGM held on 27th September, 2018
	Mr. Durgesh Yashwant Jadhav (DIN:08000007)	Chairman	• Non Executive & Independent Director till 13.11.2018	Non Executive & Independent Director till 13.11.2018	4	YES
		Member	• Non Independent and Non Executive Director thereafter	Non Independent and Non Executive Director thereafter	1	
	Mr. Bhalchandra Yashwant Shinde (DIN : 07978440)	Member	• Non-Executive -Non Independent Director	4	4	YES
		Chairman	• Non-Executive –Non Independent Director	1	1	
	Mrs.Sadhana Avinash Patil (DIN:06565115)	Member	• Non Executive & Independent Director	5	5	YES
	Mr. Anant Satish Pathak (DIN :05338978)	Member	• Additional Non Executive Independent Director. (appointed on 01.02.2019	1	1	NA

Notes:

- None of the directors is related to any other director.
- None of the directors received any loans or advances from the Company during the year.
- The Directorships, held by Directors as mentioned above, do not include directorship in foreign companies.
- In accordance with Regulation 18 and 20 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Membership/ Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Melstar Information Technologies Limited) have been considered.

Apart from receiving sitting fee, the Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management, its subsidiaries and associates, which may affect independence of the director.

Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting.

1. Detail of Director	
Name of the Director	Mr. Anant Satish Pathak (DIN :05338978)
Date of Birth	07/05/1984
Qualifications	Management Graduate
Date of appointment	01.02.2019 till 12.08.2019 Appointed on 12.08.2019 w.e.f 13.08.2019 (as Managing Director subject to Approval of Shareholder in ensuing Annual General Meeting.)
Expertise in specific functional Area	Mr. Anant Satish Pathak aged 34 years has vast Corporate experience of 12 years in the field of Financial and Operations. His key skills include budget Control, risk management, merger & Amalgamation, diversification etc.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited
Company's shares held	Nil

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2. Detail of Director	
Name of the Director	Mr.Vineet Kumar Tripathi (DIN: 07229156)
Date of Birth	02/07/1971
Qualifications	Mr.Vineet Kumar Tripathi is fellow member of of ICSI and MBA (Finance)
Date of appointment	01.04.2019
Expertise in specific functional Area	Mr.Vineet Kumar Tripathi has vast and wide experience in Compliances , Finance and Management. He has worked with Aditya Birla Group, Zee and Kitply Industries.He is associated with Yash Birla Group since last five years.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited.
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited.
Company's shares held	Nil

3. Detail of Director	
Name of the Director	Mr. Sirish Kumar Sahoo (DIN : 08052666)
Date of Birth	17/11/1989
Qualifications	Mr. Sirish Kumar Sahoo has done his MBA in finance and Marketing from KIIT School of Management.
Date of appointment	01.04.2019
Expertise in specific functional Area	Mr. Sirish Kumar Sahoo has six year of Experience in Banking and Indian Stock Market. He has worked with two renounced Bank, ICICI and AXIS Bank .He has Five year of Experience in Banking Sector. He was Co founder of Biznotech Super V.ision. He is associated with with Yash Birla Group since last Six Month.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited.
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited.
Company's shares held	Nil

4. Detail of Director	
Name of the Director	Ms. Kirti Tripathi (DIN: 07140094)
Date of Birth	08/07/1973
Qualifications	Ms. Kirti Tripathi MSc, B.ED and Junior Reserch Scholar from Banaras Hindu University.
Date of appointment	01.04.2019
Expertise in specific functional Area	Ms.Kirti Tripathi is founder member of Bhargwa Education Centre Trust. She is also fellow promoter of other Educational Trust.
List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Melstar information Technologies Limited.
Chairman /member of the Board/Committees of other companies in which director	Melstar information Technologies Limited.
Company's shares held	Nil

Director's Familiarization Programme

The objective of a familiarization programme is to ensure that the Directors are updated on the business environment, culture and overall operations of the Company. This enables the Directors to make better informed decisions in the interest of the Company and its stakeholders.

The Company has put in place a familiarization programme for the Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.



The details of Director's induction and familiarization are available on the Company's website at www.melstar.com.

Independent Directors' Meetings

The Independent Directors met once during the financial year **2018-19**, without the presence of Executive Directors or Management representatives. The issues and concerns, if any, of the meeting were then discussed with the Non- Executive Chairman.

COMMITTEES OF THE BOARD

(a) AUDIT COMMITTEE:

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

Terms of Reference:

The terms of reference of the Audit Committee of the Board of Directors of the Company, inter-alia includes:

- Overseeing the Company's financial reporting process and reviewing with the management, the financial statements before submission to the Board for approval;
- Recommending to the Board the appointment, re-appointment and replacement of the Statutory Auditor and fixing their fees;
- Reviewing the internal audit function of the Company; and
- Such other matters as specified under Listing Regulations and requirements of **Section 177** of the Companies Act, 2013 or as may be delegated by the Board of Directors of the Company.

Meetings and attendance during the year: During the year under report, **Four Meetings** of the Committee were held, viz. on **29th May 2018, 10th August 2018, 13th November 2018 and 12th February 2019**. The composition of the Audit Committee for the year ended **31st March, 2019** and the attendance at the meetings is as under:

Sr. No.	Name	Title	Status	No. of Board Audit Committee Meetings held	No. of Meetings Attended
1	Mr. Durgesh Yashwant Jadhav (DIN:08000007)	Chairman	• Non-Executive, Independent Director till 13.11.2018	3	3
		Member	• NonIndependent and Non Executive Director thereafter	1	1
2	Mrs.Sadhana Avinash Patil (DIN:06565115)	Member	• Non Executive & • Independent Director	4	4
3	Mr. Bhalchandra Yashwant Shinde (DIN : 07978440)	Member	• Non-Executive -Non Independent Director	3	3
		Chairman	• Non-Executive –Non Independent Director	1	1
4	Mr. Anant Satish Pathak (DIN :05338978)	member	• Non executive Director, Independent	1	1

At its meetings, the Audit Committee reviewed the quarterly and annual financial results before the Board took the same on record. The Committee also reviewed Internal Audit Reports, Internal Control Systems and Procedures and conducted other businesses as requisite and made recommendations to the Board where improvements were deemed necessary to strengthen the same. As a measure of good corporate governance, representatives of Statutory Auditors were regularly invited to the meetings of the Audit Committee and made significant contribution to its deliberations. The minutes of the meetings of the Audit committee are regularly placed before the Board. The Company Secretary acts as the Secretary to the Committee.

(b) NOMINATION AND REMUNERATION COMMITTEE

The role of Nomination and Remuneration Committee is as follows:

- determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- evaluating performance of each Director and performance of the Board as a whole;

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- Evaluating the performance and revision of remuneration of Key Managerial Personnel.

The Nomination and Remuneration Committee met twice on **11th May 2018 and 13th November 2018**.

The Composition of the Committee for the year ended **31st March, 2019** and the attendance at the said meeting as under:

Sr. No.	Name	Title	Status	No. of Board Meetings held	No. of Meetings Attended
1	Mr. Durgesh Yashwant Jadhav (DIN:08000007)	Chairman	Non-Executive Director & Independent	1	1
		Member	Non Independent and Non Executive Director	1	1
3	Mr. Bhalchandra Yashwant Shinde (DIN : 07978440)	Member	Non-Executive -Non Independent Director	1	1
		Chairman	Non-Executive -Independent Director	1	1
4	Mrs.Sadhana Avinash Patil (DIN:06565115)	Member	Independent and Non-Executive Director	2	1

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee looks into the shareholders' and investors' grievances, cases of transfers, transmissions, issue of duplicate share certificates, etc.

During the year under report the Committee met three times on 17th August 2018, 7th September 2018 and 12th February 2019. The Composition of the Committee for the year ended 31st March, 2019 and the attendance at the meetings is as under:

Sr. No.	Name	Title	Status	No. of Board Meetings held	No. of Meetings Attended
1	Mr. Durgesh Yashwant Jadhav (DIN:08000007)	Chairman	Non-Executive Director & Independent	2	2
		Member	Non Independent and Non Executive Director	1	1
3	Mr. Bhalchandra Yashwant Shinde (DIN : 07978440)	Member	Non-Executive -Non Independent Director	2	2
		Chairman	Non-Executive -Independent Director	1	1
4	Mrs.Sadhana Avinash Patil (DIN:06565115)	Member	Independent and Non-Executive Director	3	3

Company Secretary acts as the Compliance Officer and has been regularly interacting with the Share Transfer Agents to ensure that the complaints/grievances of the investors are attended to without undue delay and where deemed expedient, the complaints are referred to the Chairman of the Committee or discussed at its meetings. In general, all complaints are duly attended within time.

The Company has a dedicated e-mail ID, companysecretary@melstar.com and info@melstar.com attended by the Secretarial Department to enable the investors to communicate with the Company.

Details of Remuneration Paid to the Key Managerial Personnel during the financial year ended 31st March, 2019:

(₹ in Lakhs)

Name	Designation	Sitting Fees(₹)	Salary	Perquisites & other Dues (₹)	Contribution to Provident Fund and others	Total
ASHISH RAMESH MAHENDRAKAR	CFO (w.e.f. 29.05.2017) CEO (w.e.f. 13.11.2017)	Nil	11.99	(₹)	Nil	11.99
Ms. Farida Bhatia	CS (from 11.05.2018 upto 28.02.2019)	Nil	2.95	Nil	Nil	2.95



Details of Sitting fee Paid to Directors during the financial year ended 31st March, 2019:

Non Executive Directors: A fees of ₹130000 is being paid to Non Executive Directors for attending meeting of the Board and the members of the Audit Committee are being paid a fee of ₹65000 for attending Audit Committee Meeting. A fee of ₹15000 paid for attending Nomination and Remuneration Committee Meeting .The details of sitting fees paid to all Non- Executive director for financial year 2018-19 is as follows:

Sr. No.	Designation	Sitting Fees(₹)	Salary
1	Mr. Durgesh Yashwant Jadhav (DIN:08000007)	<ul style="list-style-type: none"> Non-Executive, Independent Director (w.e.f 13.11.2017 to 13.11.2018) Non Independent and Non Executive Director (w.e.f 13.11.2018 to 22.04.2019) 	65000
2	Mr.Bhalchandra Yashwant Shinde (DIN : 07978440	<ul style="list-style-type: none"> Non-Executive -Non Independent Director (w.e.f 13.11.2017 to 13.11.2018). Non-Executive -Independent Director, (w.e.f. 13.11.2018 to 22.04.2019) 	65000
3	Mrs.SadhanaAvinashPatil (DIN:06565115)	<ul style="list-style-type: none"> Non-Executive - Independent Director 	65000
4	Mr. Anant Satish Pathak (DIN : 05338978)	<ul style="list-style-type: none"> Non-Executive - Independent Director 	15000

Your Company presently does not have a scheme for grant of stock options or performance-linked incentives for its directors.

The Company has not received any complaints from members.

During the year, the Registrar had registered 1 transfer comprising 100 shares and processed 35 requests for dematerialization of 3600 shares. There were no valid requests pending for share transfers at the end of the year.

(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Considering the requirements of the Companies Act, 2013, the Board of Directors of the Company constituted the Corporate Social Responsibility Committee.

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board Corporate Social Responsibility Policy and the activities to be undertaken by the Company.
- recommending the amount of expenditure to be incurred on the activities undertaken.
- reviewing the performance of the Company in the area of Corporate Social Responsibility.
- providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business.
- monitoring Corporate Social Responsibility Policy of the Company from time to time.

PERFORMANCE EVALUATION OF THE BOARD

After taking into consideration one to one inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance; pursuant to the provisions of the Companies Act, 2013 and **Regulation 17(10)** of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

The performance evaluation of the Independent Directors was carried out by the Board. The Board of Directors expressed their satisfaction with the evaluation process.

Independent Directors Meeting

During the year under review, the Independent Directors met on 12th February, 2019, inter alia, to discuss:

1. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

GENERAL BODY MEETINGS The Annual General Meetings of the Company held during the previous three years were as under:

Financial Year	Time		Location	Special Resolutions transacted
AGM: 2015-16	26.11.2016	9.00 A.M	Melstar House M.I.D.C Cross Road "A" Andheri (East) Mumbai -400093.	1. Appointment of Mr. Sanjiv Tandon as Managing Director from 01.10.2015 to 07.09.2016. 2. Consent of Company u/s 180 (1)(c) of the Companies Act, 2013
AGM; 2016-17	28.09.2017	11.00 A.M.	"126", Sitaram Poddar Marg, Fanaswadi, Mumbai – 400002	Nil
AGM 2017-18	27.09.2018	11:00 A.M.	"126", Sitaram Poddar Marg, Fanaswadi, Mumbai – 400002	NIL

All resolutions as set out in the respective notices were duly passed by the shareholders.

DISCLOSURES**CFO Certification**

The Chief Financial Officer has given a certificate to the Board as contemplated in **Regulation 17(8)** of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Related Parties Transactions

No materially significant related party transactions were entered by the Company with its promoters or directors, which could be deemed to be potentially conflicting with the interests of the Company. There were some transactions with related parties in the ordinary course of business of the Company. The register of contracts contains details of transaction in which directors are interested and the same is placed before the meeting of the Board. The details of such transactions are disclosed in the Notes to Accounts.

Code of Conduct

The Board of Directors has laid down a "Code of Conduct" (Code) for all the Board Members and the senior management of the Company and this Code is posted on the Website of the Company. Annual Compliance affirmation is obtained from every person covered under the Code.

Risk Management

A Risk Management Policy is in place, wherein key risks are categorised and assessed in terms of probability and its likely impact on the Company's business which are periodically evaluated and report of the same are placed before the Board for review.

Statutory Compliance, Penalties and Strictures

The Company has complied with all the requirements of regulatory authorities on matters relating to capital markets and no penalties / strictures have been imposed on the Company by the Stock Exchange or SEBI.

Whistle Blower Policy

The Company has laid down a Whistle Blower Policy. The employees can bring to the notice of the management their concerns on any issues. A "Suggestion Box" is also available in the Company in which employees can deposit in writing their concerns and suggestions even without disclosing their name.

SUBSIDIARY COMPANY

The Company has no Subsidiary as on **31st March, 2019**.

MEANS OF COMMUNICATION

The Company publishes its quarterly, half-yearly and annual financial results in due time in leading National and Regional Daily newspapers.

The results are also posted on Company's website viz. www.melstar.com and websites of the stock exchange. Information relating to shareholding pattern and compliance on corporate governance norms are also posted on Company's website.

All price sensitive information are immediately informed to Stock Exchange before the same is communicated to general public through newspapers.

OTHERS

A firm of Chartered Accountants/Company Secretaries periodically carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit reports confirm that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.



GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Details

Day	Thursday
Date	26th September 2019
Time	02:00 PM
Venue	2nd Floor, Library Hall, Indian Merchant Chamber, (IMC), Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai-400020
Dates of Book Closure	From 23rd September, 2019 to 26th September, 2019 (both days inclusive).

Financial Year: 01st April, 2018 to 31st March, 2019

Special Resolutions: One Special Resolution is proposed at the above mentioned Annual General Meeting

Financial Calendar:

- 1) First Quarter Results: : On or before 14th August
- 2) Second Quarter / Half yearly Results: : On or before 14th November
- 3) Third Quarter results: : On or before 14th February.
- 4) Fourth Quarter / Audited Annual Results: : On or before 30th May

Bombay Stock Exchange Limited	The National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
Code: 532307	Code: MELSTAR

Registrar and Share Transfer Agent: The Complete address of Registrar and Share Transfer Agent for communication is as follows:

Bigshare Services India Private Limited,

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis
Makwana Road
Marol, Andheri East,
Mumbai 400059
Tel: 022 62638200
Fax: 022 62638299

SHARE TRANSFER SYSTEM

The Shares lodged for transfers and dematerialization are processed by the Registrar and Share Transfer Agent on a weekly basis and generally registered and returned within a period of two weeks from the date of receipt, if the documents are complete in all respects.

The Company has been obtaining half yearly certificates from a Company Secretary in Practice within **15 days** from the close of the relevant period with regard to compliance of share transfer formalities as per the requirement of the Listing Regulations and the same is being filed with the Stock Exchanges in which the Company's share are listed.

Market price data:

High / Low during each month and performance in comparison to NSE and BSE Sensex / BSE IT Index during the financial year ended **31st March, 2019:**

BOMBAY STOCK EXCHANGE LIMITED (BSE)				NATIONAL STOCK EXCHANGE (NSE)		
Month	High Price	Low Price	No. of Shares traded	High Price	Low Price	No. of Shares traded
Apr-18	3.09	2.94	620	3.80	3.60	26
May-18	-	-	-	-	-	-
Jun-18	2.8	1.8	15148	3.45	3.00	2250
Jul-18	2.27	1.7	44046	2.85	2.15	9907
Aug-18	2.1	1.55	41296	2.30	1.95	9050
Sep-18	2.07	1.6	29048	2.05	1.85	3603
Oct-18	1.55	1.41	16519	1.90	1.85	11970
Nov-18	1.72	1.48	2514	1.95	1.70	2024

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BOMBAY STOCK EXCHANGE LIMITED (BSE)				NATIONAL STOCK EXCHANGE (NSE)		
Month	High Price	Low Price	No. of Shares traded	High Price	Low Price	No. of Shares traded
Dec-18	1.57	1.57	1200	1.75	1.55	11206
Jan-19	1.57	1.5	2113	1.60	1.30	12875
Feb-19	1.62	1.5	4335	1.35	0.80	8264
Mar-19	1.69	1.47	1500	1.30	0.90	5187

DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH, 2019

SHAREHOLDING OF NOMINAL		NO. OF SHAREHOLDERS	% of Total	SHARES	% of Total
1	5000	9500	97.8675	3841905	26.8982
5001	10000	110	1.1332	801368	5.6106
10001	20000	54	0.5563	780295	5.4630
20001	30000	11	0.1133	271308	1.8995
30001	40000	8	0.0824	266262	1.8642
40001	50000	6	0.0618	280786	1.9659
50001	100000	7	0.0721	562803	3.9403
100001	999999999	11	0.1133	7478412	52.3583
Total :		9707	14283139	100.0000	

SHAREHOLDING PATTERN AS AT 31ST MARCH, 2019

	Category	No. of shares	% of holding
A	Promoters' holding		
1	Bodies Corporate pursuant to open offer purchase	6720976	47.06
B	Non-Promoters holding		
1	Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Gov. Institutions)	100000	0.70
2	Private Corporate Bodies	445659	3.12
3	Indian Public / HUFs/ Employees	6710388	46.98
4	NRIs	184299	1.29
5	Foreign Individuals	-	-
	Others,		
	CLEARING MEMBER	62867	0.44
	OVERSEAS CORPORATE BODIES	58950	0.41
	TOTAL	1,42,83,139	100.00

Dematerialization of Shares and Liquidity: All shares of the Company are under compulsory dematerialization for delivery on sale / purchase. As at **31.03.2019**, the number of shares of the Company in demat form stood at 14028288share representing **98.22%** of shares issued by the Company. Considering the advantages of trading in demat form, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.

Demat ISIN Number allotted to company's shares by **NSDL** and **CDSL** is: **INE817A01019**.

Declaration on Compliance with the Code of Conduct

It is hereby confirmed that all the Directors and Senior Management Personnel (i.e. one level below the executive directors, including all functional heads) of the Company have received, read and understood for compliance with the Code of Conduct framed by the Company and confirmations for the year ended **31.03.2019** have been obtained from the Directors and Senior Management Personnel of the Company.

The Code of conduct for Directors and Senior Managers as adopted by the Board has been posted on the web site of the Company (www.melstar.com).

Address of Registered Office and Other Indian Offices for Correspondence:

Please refer to the first page of the Annual Report.

Outstanding GDRs / ADRs, etc.: The Company has not issued any GDRs or ADRs or any other convertible instruments.



DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

It is hereby confirmed that all the Directors and Senior Management Personnel (i.e. one level below the executive directors, including all functional heads) of the Company have received, read and understood for compliance with the Code of Conduct framed by the Company and confirmations for the year ended **31.03.2019** have been obtained from the Directors and Senior Management Personnel of the Company.

FOR MELSTAR INFORMATION TECHNOLOGIES LIMITED

Sd-

ASHISH RAMESH MAHENDRAKAR
Chief Financial Officer (CFO) &
Chief Executive Officer (CEO)

Place: Mumbai
Date: 29.05.2019

CERTIFICATE BY CHIEF FINANCIAL OFFICER (CFO) AND CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015.

I, **ASHISH RAMESH MAHENDRAKAR**, CFO & CEO hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31.03.2019 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee:
 - I. significant changes in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial Statements; and
 - III. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

FOR MELSTAR INFORMATION TECHNOLOGIES LIMITED

Sd-

(ASHISH RAMESH MAHENDRAKAR)
Chief Financial Officer (CFO)

Place: Mumbai
Date: 29.05.2019

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

THE MEMBERS OF

Melstar Information Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Melstar Information Technologies Limited for the year ended on 31st March 2019 as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations ***except qualifications mentioned in secretarial auditor report for the year ended on 31st March 2019.***

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Anil Somani & Associates
Company Secretaries

Sd-

CS Anil Kumar Somani
ACS: 36055
COP:13379

Date: 12th August, 2019

Place: Bhilwara



INDEPENDENT AUDITOR'S REPORT

To the Members of Melstar Information Technologies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Melstar Information Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, and Statement of Cash Flow for the period ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the "Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report it to respective regulatory authorities.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

32nd Annual Report 2018-2019

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of matter

We draw attention to note 27(k) of the standalone IND AS financial statements regarding preparation of IND AS standalone financial statements on going concern basis for the reason stated therein. The appropriateness of assumption of going concern is dependent upon realization of the various initiative undertaken by the company and/or the company's ability and our opinion is not modified to that extent.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, 2 directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act and 1 new director is appointed.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements in notes 37(f).
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) The requirement of transferring amount to Investor Education and Protection Fund is not applicable to the Company during the year ended 31st March 2019.



- h) With respect to the matter to be included in the Auditor's Report under section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- 2) As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government in terms of Section 143(11) Act, we give in "Annexure B", a statement on the matters specified in paragraph 3 & 4 of the order, to the extent applicable.

For **SARDA & PAREEK**
Chartered Accountants
Firm's Registration Number: 109262W

S/d-
CA. Gaurav Sarda
Partner
Membership Number: 110208

Mumbai
May 29, 2019

"ANNEXURE A" TO THE AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements section of our report to the members of Melstar Information Technologies Limited of even date)

Report on the Internal Financial controls under clause (i) of sub-section 3 of section 143 of the Act

We have audited the internal financial controls over financial reporting of Melstar Information Technologies Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SARDA & PAREEK**
Chartered Accountants
Firm's Registration Number: 109262W

S/d-
CA. Gaurav Sarda
Partner
Membership Number: 110208

Mumbai
May 29, 2019

“ANNEXURE B” TO THE AUDITOR’S REPORT

Annexure referred to in Para 2 of our Report of even date on the financial statements for the year ended March 31, 2019 of Melstar Information Technologies Limited.

Report as per Sub-section 11 of Section 143 of the Companies Act, 2013 (“the Act”).

Based on the audit procedures performed for the purpose of reporting a true and fair view of the financial statements of the Company and taking into consideration the information and explanations given to us and the books and other records examined by us in the normal course of our audit, in our opinion and to the best of our knowledge we report that:

- i) In respect of Fixed Assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The company is in the business of rendering services and consequently does not have any inventories during the year. Consequently, clause 3(ii) of the order is not applicable to the company
- iii) The Company has granted interest free loan of ₹ 178.55 lakhs to Birla power solution Ltd covered in register maintained under section 189 of the companies Act,2013. No recoveries have been made and company has provided for ₹178.55 lakhs in earlier years as doubtful recoveries.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanations given to us, the Company has complied with Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted. Accordingly, there have been no proceeding before the Company Law Board or National Company Law Tribunal or any court or any other Tribunal in this matter and no order has been passed by any of aforesaid authorities.
- vi) According to the information and explanations given to us, the central government has not prescribed maintenance of cost records under sub section (1) of section 148 of companies Act,2013
- vii) According to the information and explanations given to us, in respect of statutory dues:



- a. The Company is irregular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Details of outstanding undisputed statutory dues at the year end and outstanding for more than six months are as under

Particulars	Total dues as on 31.03.2019	(₹ in Lakhs)
		Outstanding for more than 6 months as on 31.03.2019
GST	69.44	45.96
Service Tax	155.31	155.31
VAT	1.83	1.83
TDS	10.87	-
ESIC	0.35	-
PF	2.35	-
PT	0.36	-

- b. The dues outstanding in respect of Sales- Tax, duty of excise, Value added Tax on account of any dispute , are as follows:

Name of the Statute	Nature of dues	Amount	Period	(₹ in Lakhs)
				Forum where dispute is pending
ESIC Act, 1948	ESIC Liability	1.36	F.Y.2005-06	ESIC Authority
Total		1.36		

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowings to the banks, government and financial institutions. The Company does not have any debentures issued/outstanding at any time during the year.
- ix) In our opinion and according to the information and explanations given to us, monies raised by way of the term loans during the year have been applied by the Company for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Indian accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or Private placement of shares or fully or partly convertible debenture during the year. Accordingly provision of clause 3(xiv) of the order is not applicable.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For **SARDA & PAREEK**
Chartered Accountants
Firm's Registration Number: 109262W

S/d-
CA. Gaurav Sarada
Partner
Membership Number: 110208

Mumbai
May 29, 2019

Balance Sheet as at March 31, 2019

(₹ in Lakhs)

Sr. No	PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS			
1	Non-current assets			
	Property, plant and equipment	4	1.28	627.51
	Intangible Assets	4	0.07	0.12
	Intangible Assets under development	4	0.00	235.47
	i. Investments	5	190.75	225.75
	Other non-current assets	6	29.01	41.32
	Total Non-Current Assets		221.11	1130.17
2	Current assets			
	Financial assets			
	i. Trade receivable	7	33.18	109.61
	ii. Cash and cash equivalents	8	2.68	18.27
	iii. Loans & Deposits	9	883.77	323.83
	Current Tax Assets (Net)	10	204.63	717.77
	Other current assets	11	33.33	43.33
	Total Current Assets		1157.59	1212.81
	Total Assets (1+2)		1378.70	2342.98
	EQUITY AND LIABILITIES			
1	Equity			
	Equity share capital	12	1428.31	1428.31
	Other equity	13	(1312.86)	(1301.84)
	Total Equity		115.45	126.47
2	LIABILITIES			
	Non-current liabilities			
	Financial Liabilities			
	i. Borrowings	14	0.00	0.00
	ii. Other Financial Liabilities		0.00	0.00
	Provisions	15	32.81	44.60
	Total Non-Current Liabilities		32.81	44.60
3	Current liabilities			
	Financial liabilities			
	i. Borrowings	16	247.00	1163.69
	ii. Trade payables			
	a. Total outstanding dues of micro enterprises and small enterprises		0.00	0.00
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	17	724.95	685.87
	iii. Other financial liabilities	18	0.00	3.88
	Provisions	19	17.98	21.94
	Other current liabilities	20	240.51	296.53
	Total Current Liabilities		1230.44	2171.91
	Total Equity and Liabilities (1+2+3)		1378.70	2342.98
	Significant accounting policies	1 to 3		
	The accompanying notes are an integral part of the financial statements	1 to 27		

In terms of our report attached

For **SARDA & PAREEK**

Chartered Accountants

FRN : 109262W

S/d-

Gaurav Sarda

Partner

Membership No.110208

Place : Mumbai

Date : May 29, 2019

For and on behalf of the Board of Directors

S/d-

Sirish Sahoo

Director

DIN : 08052666

S/d-

Vineet Kumar Tripathi

Director

DIN : 07229156

S/d-

Ashish Mahendrakar

Chief Financial Officer



Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lakhs)

Sr. no	PARTICULARS		Year ended March 31, 2019	Year ended March 31, 2018
1	Revenue from operations	21	342.72	334.97
2	Other income	22	903.51	363.59
3	Total revenue (1+2)		1246.23	698.56
4	Expenses			
a	Employee benefit expense	23	478.92	467.12
b	Finance costs	24	85.63	194.07
c	Depreciation and amortization expense	4	1.09	28.47
d	Other expenses	25	690.35	262.09
	Total expenses (a+h)		1255.99	951.75
5	Profit before tax (3-4)		(9.76)	(253.19)
6	Tax expense:	29		
	Current tax		0.00	0.00
	(-) MAT Credit entitlement		0.00	0.00
	Deferred tax		0.35	2.57
	Excess/Short Provision for tax		0.00	16.00
	Total tax expense		0.35	18.57
7	Profit/(Loss) for the year (5-6)		(10.11)	(271.76)
8	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
i.	Remeasurement of the defined benefit plans;		(1.26)	(7.42)
ii.	Income tax relating to items that will not be reclassified to profit or loss		0.35	2.57
	Total other comprehensive income for the year (net of tax) (i+ii)		(0.91)	(4.85)
9	Total Comprehensive Income for the year (7+8)		(11.02)	(276.61)
10	Paid-up Equity Share Capital (In Lakhs)		1428.31	1428.31
	Face value of share (₹)		10.00	10.00
12	Earnings per equity share (EPS) :	26		
	Basic and Diluted EPS (₹)		(0.07)	(1.90)

In terms of our report attached

For SARDA & PAREEK
Chartered Accountants
FRN : 109262W

S/d-
Gaurav Sarda
Partner
Membership No.110208

Place : Mumbai
Date : May 29, 2019

For and on behalf of the Board of Directors

S/d-
Sirish Sahoo
Director
DIN : 08052666

S/d-
Vineet Kumar Tripathi
Director
DIN : 07229156

S/d-
Ashish Mahendrakar
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particular	2018-19		2017-18	
	Amount	Amount	Amount	Amount
A Cash flow from operating activities				
Profit /(Loss) before tax		(11.02)		(253.19)
Adjustments for :				
Depreciation and amortisation	1.09		28.46	
Provision for doubtful advances	0.00		2.47	
Provision for diminution Investment	35.00		0.00	
Interest expense	85.63		194.07	
Exchange Difference (Net)	0.00		0.00	
		121.72		225.00
Operating Profit/ (Loss) before working capital changes		110.70		(28.19)
Adjustments for :				
(Increase)/Decrease in Trade Receivable	76.43		91.35	
(Increase)/Decrease in Short Term Loan and Advances	(524.94)		(228.67)	
(Increase)/Decrease in Other Current Assets	535.45		11.87	
(Increase)/Decrease in Long Term Advances	0.00		(41.50)	
Increase/(Decrease) in Long Term Provision	(11.79)		(15.12)	
Increase/(Decrease) in Short Term Borrowing	(916.69)		(42.72)	
Increase/(Decrease) in Trade Payable	39.08		135.79	
Increase/(Decrease) in Other Current Liabilities	(59.90)		60.12	
Increase/(Decrease) in Short Term Provision	(3.96)	(866.32)	1.33	(27.55)
Cash generated from operations		(755.62)		(55.74)
Interest				
Direct Taxes paid		0.00		
Income Tax (Paid)/ Refund (Net)		0.00		14.21
Fringe Benefit Tax paid		0.00		0.00
Net cash generated from operating activities		(755.62)		(41.53)
B Cash flow from investing activities				
Interest received on Inter Corporate Deposits and Other Deposits	0.00		0.00	
Investments	0.00		0.00	
(Additions)/Sale of fixed assets	860.66		39.95	
Interest on Income Tax refund	0.00		0.00	
Repayment of loans/advances by subsidiaries (net)				
Net cash used in investing activities	0.00	860.66		39.95
C Cash flow from financing activities				
Repayment of borrowings	0.00		(1.45)	
Inter Corporate Deposit received	0.00		35.00	
Loan given	(35.00)		(30.00)	
Loans/advances taken (net)	0.00		197.00	
Interest paid	(85.63)		(194.07)	
Redemption of 5% Cumulative Preference Shares			0.00	
Unpaid dividend (transferred to Investor Education and Protection Fund)			0.00	
Net cash used in financing activities		(120.63)		6.48
Net (decrease)/ increase in cash and cash equivalents		(15.59)		4.90
Opening balance of cash and cash equivalents		18.27		13.37
Closing balance of cash and cash equivalents (refer Note 8)		2.68		18.27

In terms of our report attached

For SARDA & PAREEK

Chartered Accountants

FRN : 109262W

S/d-

Gaurav Sarda

Partner

Membership No.110208

Place : Mumbai

Date : May 29, 2019

For and on behalf of the Board of Directors

S/d-

Sirish Sahoo

Director

DIN : 08052666

S/d-

Vineet Kumar Tripathi

Director

DIN : 07229156

S/d-

Ashish Mahendrakar

Chief Financial Officer



Notes Forming parts of financial statements

1: Company Overview

Melstar Information Technologies Limited is a public limited company domiciled in India having its registered office at Industry House, 5th floor, Churchgate, Reclamation, Mumbai – 400020. The Company was incorporated on August 12, 1986 under the provision of the Companies Act, 1956 vide CIN Number. L99999MH1986PLC040604. The Company is engaged in Software services. The equity shares of the Company are listed on The National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited.

2. a Basis of Preparation

i) Statement of compliance

These financial statements of the company have been prepared in accordance with Indian Accounting Standards (“Ind-AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. Up to the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013 (Previous GAAP) and the other relevant provisions of the Companies Act 2013.

ii) Basis of measurement

The financial statements have been prepared on a historical cost convention basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

iii) Critical accounting estimates and judgments

The preparation of the financial statements is in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements refer note number 3 Information about significant areas of estimation/uncertainty and judgments in applying accounting policies that have the most significant effect on the financial statements

iv) Current versus non-current classification

The Company has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The Company's functional currency is the Indian Rupee. These financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except when otherwise stated.

2.b Significant Accounting policies

i) Revenue Recognition and Other Income

- **Sale of Services**

Revenue from sale of services is recognized as per the terms of the contract with customer based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

- **Other Income**

Other Income comprises of rent income, profit on asset sold /discarded, excess provision of earlier years written back, sundry credit balance written back and Interest Income.

ii) Foreign Currency-Transactions and Balances

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities Denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in consolidated statement of profit and loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, Respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other finance gains / losses are presented in the consolidated statement of profit and loss on a net basis.

iii) Employee Benefits

- **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet, if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Post-employment obligations**

The Company operates the following post-employment schemes:

- i) Defined benefit plans such as gratuity

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation. The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.



Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

iv) Tax Expenses

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity. In which case, the tax is also recognised in the comprehensive income or in Equity.

- **Current tax:**

Current tax payable is calculated based on taxable profit for the year. Current tax is recognized based on the amount expected to be paid to or recovered from the tax authorities based on applicable tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- **Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date. Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

- **Minimum Alternate Tax (MAT) Credit:**

MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

v) Property, Plant and Equipment

All items of property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in the statement of profit and loss account as and when incurred.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work- in- Progress.

Cost of the assets less its residual value is depreciated over its useful life. Depreciation is calculated on written down basis over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit and loss account.

The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

vi) Impairment of Non-Financial Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

vii) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/contribution towards provision made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liability:

Contingent liability is disclosed in the case;

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or;
- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent asset:

Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

viii) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

ix) Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

Part I - Financial Assets

• Initial recognition and measurement

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned

Financial assets, as appropriate, on initial recognition.

Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.



- **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Financial Assets at amortised cost**

- Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income)
- Financial Assets at FVTPL (Fair Value through Profit or Loss)
- Equity investments

Financial Assets at amortised cost:

A Financial Assets is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income)

A Financial Assets is classified as at the FVTOCI if following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets at FVTPL (Fair Value through Profit or Loss)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any financial instrument as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss.

a) De-recognition

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

b) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

For trade receivables, Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Part II - Financial Liabilities

a) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

x) Fair value measurement

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or;
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).



Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

xi) Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

xii) Applicability of new and revised Ind AS:

a) New standards notified and adopted by the Company

Ind AS 115 –

Revenue from contracts with customers :MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue and Ind AS 11 - Construction contracts. The new standard provides a control-based revenue recognition On model and provides a five step application principle to be followed for revenue recognition:

- i) Identification of the contracts with the customer
- ii) Identification of the performance obligations in the contract
- iii) Determination of the transaction price
- iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- v) Recognition of revenue when the Company satisfies a performance obligation. The management has assessed the impact of this new standard on the Company's financial information to be not material.

b) New standards notified and yet to be adopted by the Company

1) Ind AS 116- Leases:

Ind AS 116 replaces existing standard Ind AS 17 “Leases”. The standard is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard. The Company is assessing the impact on its financial statements from adopting Ind AS 116 and plans to adopt the standard as at April 1, 2019.

2) Other Amendments:

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April, 2019. Such changes include clarification/ guidance on;

- i) Business combination accounting in case of obtaining control of joint operations
- ii) Accounting in case of obtaining joint control of an operation wherein there was no joint control earlier
- iii) Income tax consequences in case of dividend
- iv) Accounting of Income tax when there is uncertainty over income tax treatment of an item by tax authorities
- v) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset
- vi) Accounting for prepayment features with negative compensation in case of debt instruments
- vii) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans
- viii) Accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Company's financial statements

3: Key Accounting Judgements, Estimates & Assumptions

The preparation of the Company's financial statements requires the management to make judgments', estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

i) Income taxes and Deferred tax assets:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profit will be available while recognizing the deferred tax assets.

ii) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life as prescribed in the Schedule II of the Companies Act, 2013 and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset. (Refer note 4)

iii) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Recognition and measurement of defined benefit obligation and Retirement benefits:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. (Refer note 27(g))

vi) Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

vii) Contingencies:

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. (Refer note 27(d))

viii) Allowances for uncollected trade receivable and advances:

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated amounts which are irrecoverable. Individual trade receivables are written off when management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgment in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period. (Refer note 27(b))



Note 4: FIXED ASSETS

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block		
	Balance as at 1st April 2018	Additions	(Disposals)	other Adjustment	Balance as at 31st Mar 2019	Balance as at 1st April 2018	Depreciation charge for the year	On disposals	other Adjustment	Balance as at 31st Mar 2019	Balance as at 1st April 2018	Balance as at 31st Mar 2019
Tangible Assets	-											
Leasehold Land	3.05	0.00	-3.05	0.00	0.00	0.76	0.03	-0.79	0.00	0.00	2.29	0.00
	(3.05)	0.00	0.00	0.00	(3.05)	(0.72)	(0.04)	0.00	0.00	(0.76)	(2.33)	(2.29)
Buildings	1420.06	0.00	-1420.06	0.00	0.00	797.10*	0.00	-797.10	0.00	0.00	622.96	0.00
	(1521.39)	0.00	(-101.33)	0.00	(1420.06)	(839.10)	(24.92)	(-66.92)	0.00	(797.10)	(682.29)	(622.96)
Plant and Equipment	102.99	0.00	-17.73	0.00	85.26	101.04	0.79	-17.35	0.00	84.48	1.95	0.78
	(102.99)	0.00	0.00	0.00	(102.99)	(99.18)	(1.86)	0.00	0.00	(101.04)	(3.81)	(1.95)
Furniture and Fixtures	187.62	0.08	-163.87		23.83	187.61	0.08	-163.87	0.00	23.82	0.01	0.01
	(187.62)	0.00	0.00	0.00	(187.62)	(186.56)	(1.05)	0.00	0.00	(187.61)	(1.06)	(0.01)
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(7.12)	0.00	(-7.12)	0.00	0.00	(1.13)	(0.45)	(-1.58)	0.00	0.00	(5.99)	0.00
Office equipment	10.31	0.33	0.00	0.00	10.64	10.01	0.14	0.00	0.00	10.15	0.30	0.49
	(10.31)	0.00	0.00	0.00	(10.31)	(9.93)	(0.09)	0.00	(-0.01)	(10.01)	(0.38)	(0.30)
Total	1724.03	0.41	-1604.71	0.00	119.73	1096.52	1.04	-979.11	0.00	118.45	627.51	1.28
Previous Year	(1832.48)	0.00	(-108.45)	0.00	(1724.03)	(1136.62)	(28.41)	(-68.50)	(-0.01)	(1096.52)	(695.86)	(627.51)
Intangible Assets												
Computer software	17.57	0.00	0.00	0.00	17.57	17.45	0.05	0.00	0.00	17.50	0.12	0.07
	(17.57)	0.00	0.00	0.00	(17.57)	(17.39)	(0.06)	0.00	0.00	(17.45)	(0.18)	(0.12)
Total	17.57	0.00	0.00	0.00	17.57	17.45	0.05	0.00	0.00	17.50	0.12	0.07
Previous Year	(17.57)	0.00	0.00	0.00	(17.57)	(17.39)	(0.06)	0.00	0.00	(17.45)	(0.18)	(0.12)
Intangible Assets under development												
WIP	235.47	0.00	-235.47	0.00	0.00	0.00**	0.00	0.00	0.00	0.00	235.47	0.00
	(235.47)	0.00	0.00	0.00	(235.47)	0.00	0.00	0.00	0.00	0.00	(235.47)	(235.47)
Total	235.47	0.00	-235.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	235.47	0.00
Previous Year	(235.47)	0.00	0.00	0.00	(235.47)	0.00	0.00	0.00	0.00	0.00	(235.47)	(235.47)
Total	1977.07	0.41	-1840.18	0.00	137.30	1113.97	1.09	-979.11	0.00	135.95	863.10	1.35
Previous Year	(2085.52)	0.00	(-108.45)	0.00	(1977.07)	(1154.02)	(28.47)	(-68.50)	(-0.01)	(1113.97)	(931.50)	(863.10)

Note:

* During the year the company has sold Land and Building to Secure credentials for ₹1300 lacs against which profit of ₹674.39 Lacs is booked in the books of accounts

** Intangible Assets under development is written off in Profit and Loss account fully during the year

Figures shown in brackets are in respect of Previous period

5 NON CURRENT INVESTMENTS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Unquoted - (At cost or carrying amount unless otherwise stated)		
Investments in Equity Instruments of Wholly Owned Subsidiary Companies		
i) 45,940 (Previous year 45,940) shares (common stock) of US\$ 25/- each of Melstar Inc. (USA) Less: Provision for diminution, provided as at 31st March, 2006	646.48 (646.48)	646.48 (646.48)
	0.00	0.00
ii) 150,000 (Previous year 150,000) shares of Sterling Pound 1/- each of Melstar UK Limited (UK) Less: Provision for diminution, provided as at 31st March, 2006	97.91 (97.91)	97.91 (97.91)
	0.00	0.00
iii) 958,992 (Previous year 958,992) shares of Sterling Pound 1/- each of Melstar Limited (UK) Less: Provision for diminution, provided as at 31st March, 2006	942.46 (942.46)	942.46 (942.46)
	0.00	0.00
iv) 1,700,000 (Previous year 1,700,000) shares of SGD 1/- each of Melstar Singapore Pte Ltd Less: Provision for diminution, provided as at 31st March, 2006	459.90 (459.90)	459.90 (459.90)
	0.00	0.00
Non Trade Investment		
i) 350,000 (Previous year 350,000) Equity Shares of ₹10/- each of Birla Kerala Vaidyashala Pvt. Ltd. Less: Provision for diminution, provided as at 31st March, 2019	35.00 (35.00)	35.00 0.00
	0.00	35.00
ii) 114,000 (Previous year 600,000) shares of ₹10/- each of IDV Technology Solutions Pvt. Ltd.	11.40	11.40
iii) 17935296 shares of ₹1/- each of Birla Cotsyn India Ltd.	179.35	179.35
TOTAL	190.75	225.75
Note:		
Aggregate of Unquoted Investments Cost/ carrying amount	2361.10	2361.10
Aggregate provision for diminution in value of investments	(2181.75)	(2146.75)

The company considering the erosion/substantial erosion in the net worth of its wholly owned subsidiaries located at U.S.A, UK and Singapore, had made a provision for diminution in the value of investments in the said subsidiaries aggregating to ₹2146.75(PY-2146.75)

The two subsidiaries and one step down subsidiary located at U.K stands dissolved in the earlier year. Pursuant to application made to the Regulatory Authority. The name of the subsidiary located in Singapore had been struck off in the earlier year.

Consequent to such dissolution/struck off, the company is in process of seeking approvals from Reserve Bank of India (RBI), for writing off these amounts from the books of accounts. The company would make the necessary adjustments as and when approvals from the RBI are received. Such adjustments would have no impact on the profit and loss account.



6. Other non- current assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
IT Refund Receivable	22.36	30.36
Miscellaneous Deposits	6.65	10.96
Fringe Benefit Tax	0.00	0.00
Total	29.01	41.32

Current financial assets -

7. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
Trade Receivables outstanding for a period exceeding six months from the date they were due for a payment		
-Unsecured, considered good	0.00	71.45
-Unsecured, considered doubtful	526.94	463.40
Less: Allowance for doubtful debts (expected credit loss allowance)	(526.94)	(463.40)
	0.00	71.45
Trade Receivables outstanding for a period less than six months from the date they were due for a payment		
-Unsecured, considered good	33.18	38.16
-Unsecured, considered doubtful	0.00	0.00
Less: Allowance for doubtful debts (expected credit loss allowance)	0.00	0.00
	33.18	38.16
Total	33.18	109.61

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The Normal credit period allowed by the company ranges from 0 to 60 days.
- There are no dues by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- There is no credit loss expected out of current debtors.

8 Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
(a) Cash on hand	0.22	0.20
Balance with Banks		
Owned fund		
- In Current Accounts	2.46	18.07
Cash and cash equivalents as per balance sheet	2.68	18.27

9. Loans & Deposits

(₹ in Lakhs)

Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Loan given		
	Unsecured, considered good	71.25	36.25
	Related Party	0.00	0.00
(ii)	Loan given to subsidiary companies		
	Unsecured, considered doubtful	1143.06	1143.06
	Less: Provision for doubtful	(1143.06)	(1143.06)
		0.00	0.00
(iii)	Inter Corporate Deposits		
	Unsecured, considered good	0.00	0.00
	Unsecured, considered doubtful	178.55	178.55
	Less: Provision for doubtful	(178.55)	(178.55)
	Advances to are to be recoverable in cash or kind or for value to be received (Unsecured, considered good)	812.52	287.58
		812.52	287.58
	Total	883.77	323.83

10. Current tax assets

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Deducted at Source	204.63	717.77
Total	204.63	717.77

(a) Income tax expenses

(i) Profit or loss section

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax expense		
Deferred tax		
Total income tax expense recognised in Statement of Profit & Loss	0.00	0.00

(ii) Other comprehensive section

Particulars	As at March 31, 2019	As at March 31, 2018
Remeasurements of the defined benefit plans;	0.00	0.00
Total income tax expense recognised in Other Comprehensive Income	0.00	0.00

(b) Reconciliation of effective tax rate

Particulars	As at March 31, 2019	As at March 31, 2018
Profit Before Tax	0.00	0.00
Tax Using Companies Domestic Tax rate-34.608% (31, March 2017-34.608%)	0.00	0.00
Tax effect of:		
Income Tax not liable to Tax	0.00	0.00
Adjustment in Current Tax of Previous year	0.00	0.00
MAT credit entitlement written back	0.00	0.00
Others	0.00	0.00
Income tax expenses	0.00	0.00

11. Current tax assets

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Unbilled Revenue	33.33	43.33
Total	33.33	43.33



12. Equity Share Capital

(₹ in Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	No.	Amount in ₹ Lakhs	No.	Amount in ₹ Lakhs
Equity Share Capital				
Authorised share capital:				
Equity Shares of ₹10/- each	54,950,000	5,495.00	54,950,000	5,495.00
Preference Shares of ₹10/- each	50,000	5.00	50,000	5.00
	55,000,000	5,500.00	55,000,000	5,500.00
Issued, Subscribed & Paid-up share capital:				
Equity Shares of ₹10/- each, fully paid up	14,283,139	1,428.31	14,283,139	1,428.31
Total	14,283,139	1,428.31	14,283,139	1,428.31

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2019		As at March 31, 2018	
	No.	Amount in ₹ Lakhs	No.	Amount in ₹ Lakhs
Shares outstanding at the beginning of the year	14,283,139	1,428	14,283,139	1,428
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	14,283,139	1,428	14,283,139	1,428

Details of shareholders holding more than 5% of Share Capital in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Shareholding	Number of shares	% of Shareholding
Shearson Investment & Trading Co. Pvt. Ltd.	2,101,908	14.72	2,101,908	14.72
Godavari Corporation Pvt. Ltd.	1,747,533	12.20	1,747,533	12.20
Nirved Traders Private Limited	2,228,249	15.60	2,228,249	15.60

Terms /Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	1.74	1.74
Capital Redemption Reserve	0.20	0.20
Foreign Currency Translation Reserve	5.74	5.74
Retained earnings	(1320.54)	(1309.52)
Total	(1312.86)	(1301.84)

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13.1 Capital Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	1.74	1.74
Movement during the year	0.00	0.00
Closing balance	1.74	1.74

13.2 Capital Redemption reserve

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	0.20	0.20
Movement during the year	0.00	0.00
Closing balance	0.20	0.20

13.3 Foreign Currency Translation Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	5.74	5.74
Movement during the year	0.00	0.00
Closing balance	5.74	5.74

13.4 Retained earnings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	(1309.52)	(1032.91)
Total Comprehensive Income during the year	(11.02)	(276.61)
Amount available for appropriation	(1320.54)	(1309.52)
Appropriations		
- Dividend (including tax on dividend)	0.00	0.00
- Amortization of Loan (Net of Deferred Tax)	0.00	0.00
- Revaluation of Investment (Net of Deferred Tax)	0.00	0.00
Closing balance	(1320.54)	(1309.52)

In terms of our report attached

For SARDA & PAREEK

Chartered Accountants

FRN : 109262W

S/d-

Gaurav Sarda

Partner

Membership No.110208

Place : Mumbai

Date : May 29, 2019

For and on behalf of the Board of Directors

S/d-

Sirish Sahoo

Director

DIN : 08052666

S/d-

Vineet Kumar Tripathi

Director

DIN : 07229156

S/d-

Ashish Mahendrakar

Chief Financial Officer



14. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loan from Banks		
Secured		
Vehicle loan from Bank	0.00	1.45
(-) Short term maturity	0.00	(1.45)
Total	0.00	0.00

15. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
(a) Provision for employee benefits		
Gratuity(unfunded)	15.78	16.30
Compensated absences(unfunded)	9.03	12.30
(b) Other Provision		
Provision for Tax AY 2012-13	8.00	16.00
Total	32.81	44.60

16. Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Loans repayable on demand		
From banks		
-Clean Overdraft Facility	0.00	402.73
-Cash Credit Facility	0.00	500.29
-SBI OD A/C against FD	0.00	13.66
(b) Unsecured Loan and advances	247.00	247.00
Total	247.00	1163.69

17. Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables for Goods & expenses	724.95	685.87
Unsecured, considered Good		
Total	724.95	685.87

18. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term Loan	0.00	1.45
Interest Accrued on loan(accrued but not due)	0.00	2.43
Total	0.00	3.88

19. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
(a) Provision for employee benefits		
Gratuity(unfunded)	4.24	11.29
Compensated absences(unfunded)	13.74	10.65
Total	17.98	21.94

20. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Remittances	240.51	296.53
Total	240.51	296.53

21 REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I T Infrastructure Projects	0.00	(5.88)
Software Products	0.00	0.00
Software Services	342.72	340.85
TOTAL	342.72	334.97

22 OTHER INCOME

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sundry Credit Balances Written Back	44.18	7.93
Profit on Assets sold / discarded (Net)	674.39	282.10
Provision for doubtful debts/ advances written back (Net)	0.00	-
Excess Provision of Earlier Years Written Back	14.66	1.87
Rental Income	95.00	70.00
Miscellaneous Income	75.28	1.68
TOTAL	903.51	363.59

23 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and Wages	453.45	451.86
Contribution to Provident and other Funds	17.97	18.95
Gratuity	2.97	0.00
Compensated Absences	3.24	0.93
Staff Welfare Expenses	2.55	2.80
Less:-		
Reimbursement of Defined Benefit Plans	(1.26)	(7.42)
TOTAL	478.92	467.12



24 FINANCE COSTS

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest expenses		
On Fixed Period Loans	0.09	0.43
Others	85.54	190.49
Other borrowing costs	0.00	3.15
TOTAL	85.63	194.07

25 OTHER EXPENSES

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
IT Infrastructure Project Expenses	0.00	0.13
Electricity	8.17	8.81
Rent	55.65	65.05
Bank Charges	0.86	0.71
Office Expenses	6.56	7.22
Rates and Taxes	37.79	23.85
Insurance	1.35	2.25
Repairs and Maintenance	15.27	6.18
Travelling and Conveyance	28.46	13.80
Communication Expenses	6.72	6.53
Advertising and Sales promotion expenses	0.96	1.22
Rebate and discount	0.00	5.28
Legal and Professional fees	87.45	80.12
Registrar and Transfer Fees	7.53	6.87
Recruitment Expenses	9.71	7.66
Provision for Doubtful Debts and Advances (Net)	63.55	0.00
Irrecoverable Debts/ Advances written off	8.24	2.47
Provision for Diminution in value of Investment	35.00	
Fixed Assets written off	235.47	0.00
Directors Sitting Fees	2.10	2.30
Miscellaneous Expenses	77.31	18.32
TOTAL	688.15	258.74

25.1 Details of Payment to Auditors

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
As Audit Fees	1.50	1.50
Tax Audit fees	0.25	0.25
Audit fees for 15-16		
Limited Review charges	0.45	0.60
IND AS Charges	0.00	1.00
Opinion on Tax Matter		
Certification Charges		
TOTAL	2.20	3.35

26 Earning Per Share (EPS)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
i) Net Profit/(Loss) after tax, before Exceptional Items, attributable to equity shareholders	-10.11	-271.76
Exceptional Item	-	-
ii) Net profit after tax attributable to equity shareholders, after Exceptional Items	-10.11	-271.76
iii) Weighted average number of equity shares considered for calculation of Basic and Diluted Earning Per Share (Nos.)	14,283,139	14,283,139
iv) Nominal value of equity share	10.00	10.00
v) Basic and Diluted Earnings per share	-0.07	-1.90

Note 28:- Financial Assets at Amortised Cost Method Fair Values**27 (a) Financial Instruments by category:**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

i) Financial Assets at Amortised Cost Method

The carrying value of the following financial assets recognised at amortised cost:

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Financial Assets		
Investments	190.75	225.75
Current Financial Assets		
Trade receivables	33.18	109.61
Cash and Cash Equivalents	2.68	18.27
Loans & Deposits	883.77	323.83
Total	1,110.38	677.46

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

ii) Financial Liabilities at Amortised Cost Method

The carrying value of the following financial liabilities recognised at amortised cost:

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current Financial Liabilities		
Borrowings	0.00	0.00
Current Financial Liabilities		
Borrowings	247.00	1,163.69
Trade Payable	724.95	685.87
Other Financial Liabilities	0.00	3.88
Total	971.95	1,853.44

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

iii) Financial Assets at Fair Value Through Profit or Loss

The carrying value of the following financial assets recognised at fair value through profit or loss:

Particulars	As at March 31, 2019	As at March 31, 2018
Total Financial Assets		
Investments	190.75	225.75
Total	190.75	225.75

Note: The above investments are quoted instruments in active markets and the same is recognised at fair value. Fair value measurement is done considering the Level -1 of Fair Value Hierarchy as per the Ind-AS 113.



iii) **Financial Liabilities at Fair Value Through Profit or Loss**

The carrying value of the following financial liabilities recognised at fair value through profit or loss:

Particulars	As at March 31, 2019	As at March 31, 2018
Current Financial Liabilities		
Other Financial Liabilities	0.00	0.00
Total	0.00	0.00

Note: The above other financial liabilities includes Foreign Currency Forward and Options Contracts. Fair value measurement is done considering the Level -1 of Fair Value Hierarchy as per the Ind-AS 113.

27 (b) : **Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations directly or indirectly. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis and Credit ratings	Diversification of bank deposits and credit limits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk - Interest rate	Borrowings at variable rates	Sensitivity analysis	Not used any Interest rate derivatives.
Market Risk - Price risk	Equity Instruments		Company maintains its portfolio in accordance with the framework set by the Risk Management policies.
Market Risk - Foreign exchange risk	Export, Import and Borrowings		Forward contracts and Currency options

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management. Based on the business environment in which the company operates.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers. The company manages its credit risk through credit approvals, establishing credit limits & monitoring credit worthiness of customer.

Financial instruments and cash deposits

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Company's treasury risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are assigned based on corpus of investable surplus and corpus of the investment avenue. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as stated in balance sheet except for balances of subsidiary company. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in the liquidity table below.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit which carry no/negligible mark to market risks.

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2019 and March 31, 2018 :

Particulars	Carrying amount	Less than 12 Months	More than 12 Months	TOTAL
Year ended March 31, 2019				
Secured Loans	0.00	0.00	0.00	0.00
Trade Payables	724.95	351.73	373.22	724.95
Interest Accrued	0.00	0.00	0.00	0.00
Capital Creditors	0.00	0.00	0.00	0.00
Others Liabilities	240.51	66.79	173.72	240.51
Year ended March 31, 2018				
Secured Loans	918.13	0.00	0.00	918.13
Trade Payables	685.87	339.59	346.28	685.87
Interest Accrued	0.00	0.00	0.00	0.00
Capital Creditors	0.00	0.00	0.00	0.00
Others Liabilities	300.41	69.78	230.63	300.41

Market Risk

Market risk comprises two types of risk: price risk, interest rate risk and currency risk. The risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

Price risk

Equity price risk is related to the change in market price of the investments in quoted equity securities. The value of the financial instruments is not material and accordingly any change in the value of these investments will not affect materially the profit or loss of the Company.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since, the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is very low. The Company has not used any interest rate derivatives.

Interest rate sensitivity

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Foreign Exchange Risk

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. Policy also includes mandatory initial hedging requirements for exposure above a threshold.

The Company's foreign currency exposure arises mainly from foreign exchange imports, exports and foreign currency borrowings, primarily with respect to USD, GBP & SGD.



As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated monetary assets and liabilities in respect of the primary foreign currency i.e. USD, GBP and SGD derivative to hedge the exposure, are as follows:

Particulars	March 31, 2019	March 31, 2018
Assets- (Debtors)*		
USD exposure	121.01	121.01
GBP exposure	315.51	315.51
Assets- (Loans and Advances)*		
USD exposure	510.35	510.35
GBP exposure	545.10	545.10
SGD exposure	87.61	87.61
Net	1,579.58	1,579.58
Derivatives to hedge USD exposure		
Forward contracts	0.00	0.00
Option contracts	0.00	0.00
Total Hedge		0.00
Net exposure	1,579.58	1,579.58

Note:*Total debtors ₹ 436.52 lakhs and Loans and Advances of ₹ 1143.06 is fully provided towards Doubtful Debts and Advances

There is no Foreign currency exposure for the company as on 31st March 2019.

Note 27(c) : Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	March 31, 2019	March 31, 2018
A) Net Debt		
Borrowings (Current and Non-Current)	247.00	1,163.69
Cash and cash equivalents	-2.68	-18.27
Net Debt (A)	244.32	1,145.42
B) Equity		
Equity share capital	1,428.31	1,428.31
Other Equity	-1,312.86	-1,301.84
Total Equity (B)	115.45	126.47
Gearing Ratio (Net Debt / Capital) i.e. (A / B)	211.62%	905.69%

Note 27(d) : Contingent Liabilities not Provided for:

(a)

Particulars	As at March 31, 2019	As at March 31, 2018
Disputed Liabilities in respect of Property Tax	0.00	32.36
Claims against Company not acknowledged as debt and pending before the Courts in Mumbai.	10.46	8.87
Disputed ESIC Liabilities	1.36	1.36
Total	11.82	42.59

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Note 27(e) : Capital and Other Commitments:

(i) Capital Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated value of Contracts in respect of Property, Plants and Equipments remaining to be Executed (Net of Capital Advances)	0.00	0.00
Total	0.00	0.00

(ii) Other Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Co-Borrower for Loans taken by a Related Party	0.00	0.00
Total	0.00	0.00

Note 27(f) : Segment Information:

Information about Primary Business Segment

The Company is engaged in software, IT projects and man power supply during the year, consequently the Company have separate reportable business segment for the year ended March 31, 2019.

Information about Secondary Geographical Segment

The Company is engaged in providing services to customers located in India and outside india, consequently the Company have separate reportable geographical segment for the year ended March 31, 2019. i.e) Domestic and Export.

(a) Primary Segment

Particulars	For The Year Ended 31.03.2019	For The Year Ended 31.03.2018
1. Segment Revenue		
(a) Segment -A (Software Services)	739.05	340.85
(b) Segment -B (IT Infraprojects)	0.00	(5.88)
Less: Inter Segment Revenue		0.00
Net Sales / Income from Operations	739.05	334.97
2. Segment Results Profit/(Loss) (before tax and interest from each segment)		
(a) Segment -A (Software Services)	(231.32)	(292.65)
(b) Segment -B (IT Infraprojects)	0.00	(9.67)
Less: (i) Interest		
Add: Other Un-allocable Income (net off)	220.29	25.72
Total Profit Before Tax	(11.03)	(276.60)
3. Assets		
(a) Segment -A (Software Services)	192.70	512.61
(b) Segment -B (IT Infraprojects)	82.65	126.37
(c) Unallocated Assets	1103.36	1704.02
Total Assets	1378.71	2343.00
4. Liabilities		
(a) Segment -A (Software Services)	(1263.25)	(1048.95)
(b) Segment -B (IT Infraprojects)		0.00
(c) Unallocated Liabilities	0.00	(1167.57)
Total Liabilities	(1263.25)	(2216.52)



Note 27(g) : Employee Benefits:

The Company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans

- a. Employers' Contribution to Provident Fund and Employee's Pension Scheme
- b. Employers' Contribution to Employee's State Insurance

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

	Year ended March 31, 2019 (₹ in lakhs)	Year ended March 31, 2018 (₹ in lakhs)
Employers' Contribution to Provident Fund and Employee's Pension Scheme	14.03	14.37
Employers' Contribution to Employee's State Insurance	3.93	4.59
Total Expenses recognised in the Statement of Profit and Loss (Refer Note 23)	17.96	18.96

II. Defined Benefit Plan

Gratuity Fund

a. Major Assumptions	(% p.a.)	(% p.a.)
Discount Rate	7.07%	7.65%
Salary Escalation Rate @	8.00%	8.00%
<p>@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.</p>		
Employee Turnover	70% (for software staffing) 2% for others	70% (for software staffing) 2% for others
b. Change in Present Value of Obligation		
Present Value of Obligation as at the beginning of the year	27.59	29.31
Current Service Cost	2.12	4.95
Past Service Cost	0.00	0.00
Interest Cost	2.11	2.12
Benefit paid	(10.53)	(1.37)
Total Actuarial (Gain)/ Loss on Obligations	(1.27)	(7.42)
a. Effect of Change in Financial Assumptions	0.95	(0.77)
b. Effect of Change in Demographic Assumptions	0.00	0.00
c. Experience (Gains)/ Losses	(2.22)	(6.65)
Acquisition/Business Combination/Divestiture		0.00
Present Value of Obligation as at the end of the year	20.02	27.59
c. Change in Fair value of Plan Assets during the Period		
Fair value of Plan Assets, Beginning of Period	0.00	0.00
Interest Income Plan Assets	0.00	0.00
Actual Company Contributions	0.00	0.00
Actuarial Gains/(Losses)	0.00	0.00
Benefits Paid	0.00	0.00
Acquisition/Business Combination/Divestiture	0.00	0.00
Fair value of Plan Assets, End of Period	0.00	0.00

d. Net (assets) / liability recognized in the balance sheet and the Fair Value of Assets		
Present Value of Obligation at the end of the year	20.02	27.59
Fair Value of Plan Assets at the end of the year	0.00	0.00
Net (assets) / liability recognized in the balance sheet	20.02	27.59
Net liability - current	4.24	11.29
Net liability - non current	15.78	16.30
e. Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	2.12	4.95
Net Interest Cost / (Income)	2.11	2.12
Acturial (Gains)/Losses	(1.26)	(7.42)
Past Service Cost	0.00	0.00
Total expenses recognised in the Statement of Profit and Loss	2.97	(0.35)
f. Expense Recognised in the Statement of Other Comprehensive Income		
Amount recognized in OCI, Beginning of Period	(13.74)	(6.32)
Remeasurements due to :		
Effect of Change in financial assumptions	0.95	(0.77)
Effect of Change in demographic assumptions		
Effect of experience adjustments	(2.22)	(6.65)
Return on plan assets (excluding interest)	0.00	0.00
Amount recognized in OCI, End of Period	(1.27)	(7.42)
Amount recognized in OCI, End of Period	(15.01)	(13.74)
*This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience		

g. Maturity profile of defined benefit obligation		
1st Following Year	4.24	11.29
2nd Following Year	0.37	0.80
3rd Following Year	0.42	0.57
4th Following Year	0.46	0.52
5th Following Year	0.49	0.52
Sum of Years 6 To 10	8.24	8.06
Sum of Years 11 and above	30.24	33.05
h. Sensitivity Analysis for significant assumption is as below		
Projected Benefit Obligation on Current Assumptions	20.03	27.60
Delta Effect of +1% Change in Rate of Discounting	(1.59)	(1.60)
Delta Effect of -1% Change in Rate of Discounting	1.86	1.86
Delta Effect of +1% Change in Rate of salary increase	1.83	1.84
Delta Effect of -1% Change in Rate of salary increase	(1.59)	(1.61)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.17)	(0.11)
Delta Effect of -1% Change in Rate of Employee Turnover	0.18	0.12



Note 27(h) : Related Party Disclosure:

i) Relationship

Description of relationship	Names of Related Parties
Key Management Personnel :	Bhalchandra Yashwant Shinde (Independent and Non Executive Director) (From 13th November 2017) Durgesh Yashwant Jadhav (Non Independent and Non Executive Director) (From 13th November 2017) Sadhana Avinash Patil (Independent and Non Executive Director) (From 9th February 2018) Anant Satish Pathak (Independent and Non Executive Director) (From 1st February 2019) Mr. Ashish Mahendrakar ((Director till 14th September 2017 , (Chief Financial Officer w.e.f. 29th May 2017) Mrs. Farida Bhatia (Company Secretary) (upto 28th February 2019)
Subsidiaries and step down subsidiary	Melstar Inc. (Dissolved on 10th August, 2016) Melstar Limited (Dissolved on 19th May, 2010) Linkhand Support Limited (Dissolved on 12th August, 2008) Melstar UK Limited (Dissolved on 26th April, 2011) Melstar Singapore Pte. Limited (Struck Off as on 05th October, 2010) IDV Technology Solutions Private Limited (no more subsidiary w.e.f.29.09.2016)

Enterprises in which Key Management personnel and relatives of Key Management personnel have significant influence :

Notes:

- 1) The list of related parties above has been limited to entities with which transactions have taken place.
- 2) Related party transactions have been disclosed till the time the relationship existed.

ii) Transaction with Related Parties during the year

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
KMP's Remuneration		
Mr.Ashish Mahendrakar	11.99	14.44
Ms.Krina Mehta	0.00	0.67
Mrs. Farida Bhatia	2.74	0.00
	14.73	15.11
Sitting Fees		
Ashish Mahendrakar	0.00	0.20
Milind Prabhudesai	0.00	0.40
Minal Pote	0.00	0.40
PritamSingh Dhanawade	0.00	0.25
Soni Kanojia	0.00	0.35
Rasika Kadam	0.00	0.25
Suresh Mitbaokar	0.00	0.25
Durgesh Jadhav	0.65	0.10
Bhalchandra Shinde	0.65	0.10
Sadhana Patil	0.65	0.00
Anant Pathak	0.15	0.00
	2.10	2.30

iii) Balance with Related Parties :

Particulars	Balances as at March 31, 2019	Balances as at March 31, 2018
Receivables		
Linkhand Support Limited (provided towards doubtful debts)	163.04	163.04
Melstar Inc (provided towards doubtful debts)	8.64	8.64
	171.68	171.68
Trade Payable		
Mr.Ashish Mahendrakar	1.39	0.83
	1.39	0.83
Investments (Provided towards diminution)		
Melstar Inc	646.48	646.48
Melstar Limited	942.46	942.46
Melstar Singapore Ptd Limited	459.90	459.90
Melstar UK Limited	97.91	97.91
	2146.75	2146.75
Loans and Advances (provided towards doubtful)		
Melstar Inc	510.35	510.35
Melstar Limited	545.10	545.10
Melstar Singapore Ptd Limited	87.61	87.61
	1143.06	1143.06

Note:

The company considering the erosion/substantial erosion in the net worth of its wholly owned subsidiaries located at U.S.A, UK and Singapore, had made a provision for diminution in the value of investments in the said subsidiaries aggregating to ₹2146.75(PY-2146.75) and for doubtful loan/advances given to said subsidiary aggregating to ₹1143.06 (PY 1143.06) and also for doubtful debts being debts due from one of the step down subsidiary located at UK and wholly owned subsidiary located at U.S.A of ₹171.68 (PY 171.68)

The two subsidiaries and one step down subsidiary located at U.K stands dissolved in the earlier year. Pursuant to application made to the Regulatory Authority. The name of the subsidiary located in Singapore had been struck off in the earlier year.

Consequent to such dissolution/struck off, the company is in process of seeking approvals from Reserve Bank of India (RBI), for writing off these amounts from the books of accounts. The company would make the necessary adjustments as and when approvals from the RBI are received. Such adjustments would have no impact on the profit and loss account.

Note 27(i) : Operating lease arrangements

The Company has taken temporary office premises under operating lease as per the requirement. The aggregate rental expenses for the year is ₹ 55.65 Lakhs (PY 2017-18: ₹ 65.05 Lakhs).

These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable lease. Most of the leases are renewable for further period on mutually agreeable terms.

The Total future minimum lease rentals payable at the balance sheet date is as under :

Particulars	As at March 31, 2019	As at March 31, 2018
For a period not later than one year		0.00
For a period later than one year and not later than five years	1.21	8.21
For a period later than five years	133.83	85.82



Note 27(j) : Expenditure on Corporate Social Responsibility:

Section 135 of the Companies Act provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the company to be ₹ 500 crore or more; (b) turnover of the company to be ₹ 1000 crore or more; (c) net profit of the company to be ₹ 5 crore or more. Further as per the CSR Rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India
CSR Committee and Policy:

Every qualifying company requires spending of at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities. Further, the qualifying company will be required to constitute a committee (CSR Committee) of the Board of Directors (Board) consisting of 3 or more directors. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board shall take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company. The company is not meeting the Threshold limit specified under companies Act so CSR provision is not applicable”

Note 27(k) : Going Concern:

The Company is incurring a losses which may create uncertainties. However, various Initiatives undertaken by the Company in relation to saving cost, optimize revenue management opportunities and enhance ancillary revenues is expected to result in improved operating performance. Further, our continued thrust to improve operational efficiency and initiatives to raise funds are expected to result in sustainable cash flows addressing any uncertainties, Accordingly, the statement of financial results continues to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

Note 27(l) : Previous year regrouping:

Previous year's figures have been regrouped / reclassified, where necessary, to confirm to current year's classification. This does not impact recognition and measurement principles followed for preparation of standalone financial statements.

In terms of our report attached
For **SARDA & PAREEK**
Chartered Accountants
FRN : 109262W

S/d-
Gaurav Sarda
Partner
Membership No.110208

Place : Mumbai
Date : May 29, 2019

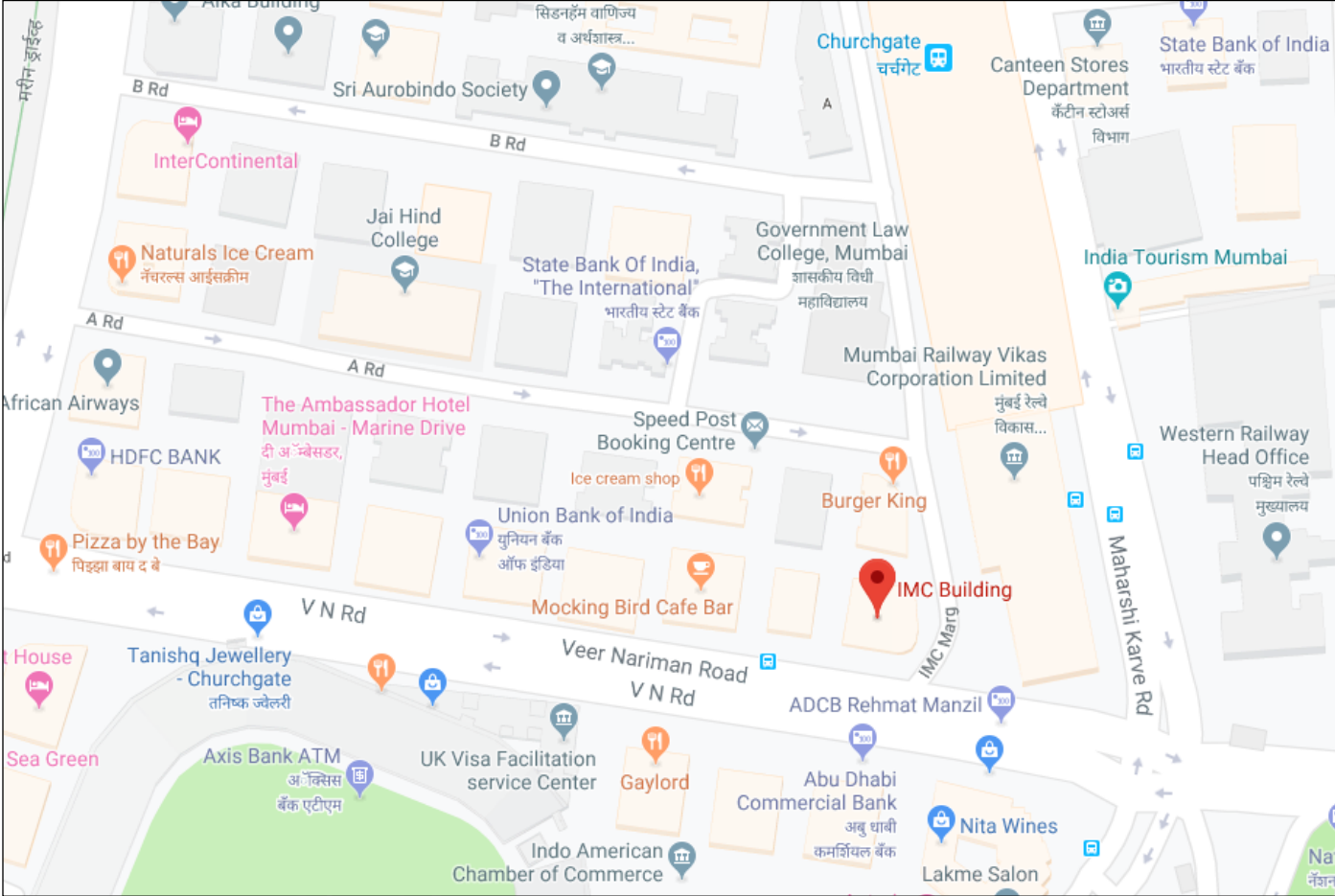
For and on behalf of the Board of Directors

S/d-
Sirish Sahoo
Director
DIN : 08052666

S/d-
Vineet Kumar Tripathi
Director
DIN : 07229156

S/d-
Ashish Mahendrakar
Chief Financial Officer

Route Map to the Venue of the AGM





MELSTAR INFORMATION TECHNOLOGIES LIMITED

159, Industry House, 5th Floor, Churchgate, Reclamation, Mumbai – 400020
Corporate Identity Number (CIN): L99999MH1986PLC040604

Email : info@melstar.com, visit us at :www.melstar.com, Telephone: (022) 62356400, Fax (022)62356402,

MGT-11 - PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Company : MELSTAR INFORMATION TECHNOLOGIES LIMITED CIN : L99999MH1986PLC040604
Registered Office : 5th Floor, 159, Industry House, Churchgate, Reclamation Mumbai 400020 Tel no : 022-62356400 Fax no : 022-62356402

Name of the Member(s)			
Registered address			
E-mail Id			
Folio No./Client Id		DP ID:	

I / We, being the Member(s) of _____ shares of Melstar Information Technologies Limited, hereby appoint:

- _____ of _____ having e-mail _____ or failing him
- _____ of _____ having e-mail _____ or failing him
- _____ of _____ having e-mail _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32st Annual General Meeting of the Company, to be held on Thursday, the 26th September, 2019 AT 02.00 P.M. at "2ND Floor, Library Hall, Indian Merchant Chamber(IMC), Chamber of Commerce and Industry, IMC Building , IMC Marg, Churchgate, Mumbai-400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

*I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution for approving (give details)	Votes Cast Please tick your choice(√) in the respective column-"for" or "against"	
		For	Against
1	Ordinary Business :Ordinary Resolution : To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon,		
3	Special Business : Ordinary Resolution : To Consider and to Regularize the appointment of Mr. Anant Satish Pathak (DIN: 05338978) Additional Director as the Director of the Company		
4	Special Business : Special Resolution : To Consider and to regularize the appointment of Mr. Anant Satish Pathak (DIN : 05338978) Additional Director as the Managing Director of the Company.		
5	Special Business : Ordinary Resolution :To Consider and to Regularize the appointment of Mr. Vineet Kumar Tripathi (DIN: 07229156) Additional Director as an Independent & Non- Executive Director.		
6	Special Business : Ordinary Resolution To Consider and to Regularize the appointment of Ms. Kirti Tripathi (DIN:07140094) Additional Director as an Independent & Non Executive Director (Independent Woman Director).		
7	Special Business : Ordinary Resolution :To Consider and to Regularize the appointment of Mr. Sirish Kumar Sahoo (DIN : 08052666) Additional Director as Non- Independent & Non Executive Director.		

Signed this..... day of.....2019

Signature of Shareholder.....

Signature of Proxy holder(s).....

Notes

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- Please complete all details including detail(s) before submission.

Affix
Re.
1/-Revenue
Stamp

Signature(s) across the stamp

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Slip at the venue of the meeting

DP Id*	
Client Id*	
Folio No.	
No. of Shares	
Name and Address of Shareholder:	

I hereby record my presence at the 32st Annual General Meeting of the Company held on Thursday, the 26th September, 2019 AT 2.00 P.M. at "2ND Floor, Library Hall, Indian Merchant Chamber, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai-400020.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder/Proxy

ELECTRONIC VOTING PARTICULARS		
EVEN(E-Voting Event Number)	USER ID	PASSWORD/PIN

Mission

“To offer highest value proposition to Global Customers in the area of Application Management Services by providing them with a unique sustainable Cost Reduction Model on long term basis.”

Service Offerings

Onsite / Offsite / Offshore

- Application Design and Development
- Application/Project Consulting Business
- Off shore Development facility
- Application Support/Maintenance and Migrations

Quality Policy

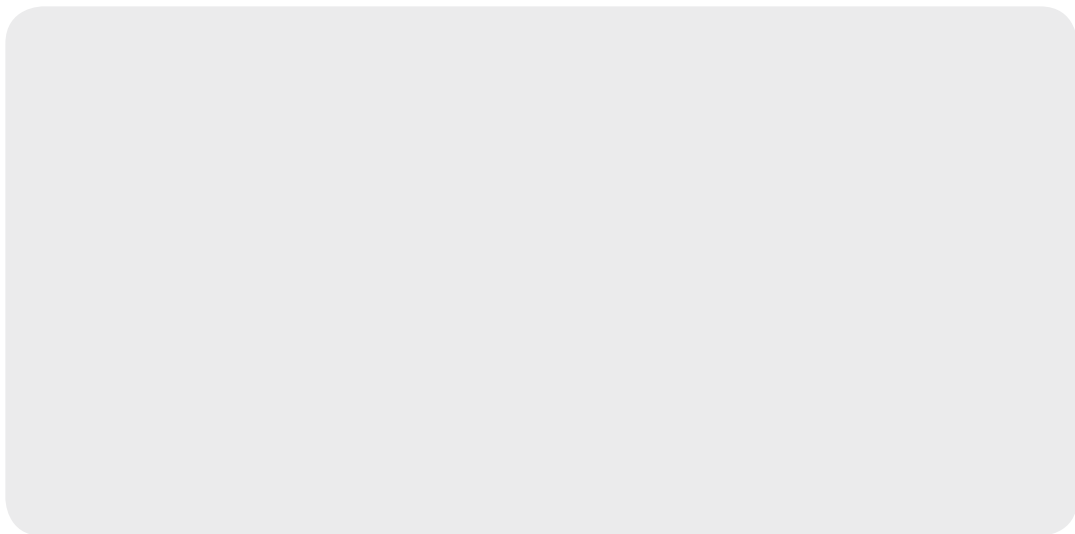
“We shall provide quality software products, solutions and services to consistently meet the customer’s changing requirements.”

Melstar Information Technologies Limited

2018-2019

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Book-Post



If undelivered, please return to:



A Software Services Company

Registered & Corporate Office:

5th Floor, 159, Industry House Churchgate Reclamation Mumbai 400020