



# Melstar Information Technologies Limited

CIN : L99999MH1986PLC040604

12.02.2019

<b>BOMBAY STOCK EXCHANGE LIMITED</b> P. J. TOWERS, DALAL STREET, MUMBAI – 400 001  <b>SCRIP CODE 532307</b>	<b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051  <b>MELSTAR</b>
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**SUB: UNAUDITED FINANCIAL RESULTS & LIMITED REVIEW REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31.12.2018**

**REF: OUR LETTER DATED 01.02.2019.**

Dear Sirs,

Pursuant to the provisions of the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors at its meeting held on 12<sup>th</sup> February, 2019 has inter-alia considered and approved the following matters:


- 1. Unaudited Financial Results( Standalone) along with Limited Review Report for the Third Quarter and Nine Months Ended 31.12.2018.**
- 2. Confirmed the Circular Resolution passed on 01.02.2019 for Appointment of Mr. Anant pathak as an Additional Director of the Company.**
- 3. Resignation of Mrs. Farida Bhatia from the Post of Company Secretary w.e.f. 28.02.2019.**

The Board Meeting commenced at 03:00 P.M. & concluded at 04:30 P.M.

Kindly take the same on record.

Thanking you,  
Yours faithfully,

For **Melstar Information Technologies Limited**

  
**Durgesh Jadhav**  
Director  
DIN: 08000007  
Encl: As above.

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**Limited Review Report on Standalone Financial Results of Melstar Information Technologies Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Board of Directors,  
**Melstar Information Technologies Limited**

1. We have audited the accompanying Statement of Standalone Financial Results of **Melstar Information Technologies Limited**, ("the Company"), for the quarter ended 31<sup>st</sup> December, 2018, ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation of 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No.: CIR/CFD/FAC/62/2016 dated July 05, 2016.

This Statement, which is the responsibility of Company's Management and approved by the Board of Directors, has been compiled from the related Standalone Ind AS Financial Statements, which have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued there under ('Ind AS') and other Accounting Principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Standalone Financial Statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance above whether the statement is free from material Mis-statement.

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the Statement. The procedure selected depends on the Auditor's judgement, including the assessment of the risk of material mis-statement of the statement, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Company's preparation and fair presentation of the statement in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the Company's estimates made by the Management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Limited Review Report on Standalone Financial Results of Melstar Information Technologies Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

3. In our opinion and to the best of our information and according to the explanations given to us, the statement:
- a) is presented in accordance with the requirements of Regulation 33 of SEBI Listing Obligations and Disclosure Requirements) Regulation, 2015 as modified by Circular No.: CIR/CFD/FAC/62/2016 dated July, 5<sup>th</sup> 2016; and
  - b) Gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other Accounting Principles generally accepted in India of the net loss and other comprehensive income and other financial information of the Company for the quarter ended 31st December, 2018.
4. The Statement includes the result for the quarter ended 31st Dec 2018, 30th Sep 2018 and 31st Dec 2017, and result for halfyear ended 31<sup>st</sup> Dec,2018 & 31<sup>th</sup> Dec2017 and for year ended 31<sup>st</sup> March 2018 which were subject to limited review by us.

#### Material Uncertainty in relation to Going Concern

5. The Company has incurred a net loss of Rs. 225.06 Lakhs for the Nine Months ended December 31st,2018 and, as of that date, the Company's current liabilities exceeded its Current assets by Rs 1353.55 Lakhs and it has accumulated losses of Rs. 1534.57 Lakhs which has resulted in complete Erosion of the net worth of the company. In spite of these events or conditions which may cast a Doubt on the ability of the company to continue as a going concern, the management is of the Opinion that going concern basis of accounting is appropriate and having regards to the Note 5 of The Unaudited standalone financial results which results on going concern basis for the reasons Stated therein.The appropriateness of assumption of going concern is dependent upon realization of the various Initiatives undertaken by the Company and/or the Company's ability to raise requisite Finance/generate cash flows in future to meet its obligations. Our report is not modified in respect of these matters.

For SARD & PAREEK

Chartered Accountants

FRN- 109262W

*Gaurav Sarda*  
Gaurav Sarda

Partner

Membership No- 110208



Place: Mumbai

Date: 12<sup>th</sup> February, 2019

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2018

PARTICULARS	(Rs. in lakhs)									
	For Quarter Ended			Nine Months Ended			Year Ended			
	Dec 31, 2018 Unaudited	Sep 30, 2018 Unaudited	Dec 31, 2017 Unaudited	Dec 31, 2018 Unaudited	Dec 31, 2017 Unaudited	March 31, 2018 (Audited)				
1 Revenue from operations	80.42	86.98	80.82	254.16	255.51	334.97				
2 Other income	49.91	31.02	318.08	153.44	328.23	363.59				
3 Total revenue (1+2)	130.33	118.00	398.90	407.60	583.74	698.56				
4 Expenses										
a Employee benefit expense	119.37	122.01	112.11	353.18	373.60	467.12				
b Finance costs	12.68	45.75	49.12	107.64	134.48	194.07				
c Depreciation and amortization expense	0.17	0.39	15.05	0.95	45.84	28.46				
d Other expenses	56.03	55.50	51.37	170.88	202.89	262.09				
Total expenses (a+d)	188.26	223.66	227.65	632.66	756.81	951.74				
5 Profit before tax (3-4)	(57.93)	(105.66)	171.25	(225.06)	(173.07)	(253.18)				
6 Tax expense:										
Current tax	-	-	-	-	-	-				
Deferred tax	-	-	1.64	-	1.64	-				
Excess/Short Provision for tax	-	-	-	-	-	16.00				
Total tax expense	-	-	1.64	-	1.64	16.00				
7 Profit for the year (5-6)	(57.93)	(105.66)	169.61	(225.06)	(174.71)	(269.18)				
8 Other comprehensive income										
Items that will not be reclassified to profit or loss										
i. Remeasurement of the defined benefit plans;	-	-	(4.74)	-	(4.74)	(7.42)				
ii. Income tax relating to items that will not be reclassified to profit or loss	-	-	1.64	-	1.64	-				
Total other comprehensive income for the year (net of tax) (i+ii)	-	-	(3.10)	-	(3.10)	(7.42)				
9 Total Comprehensive Income for the year (7+8)	(57.93)	(105.66)	166.51	(225.06)	(177.81)	(276.60)				
10 Paid-up Equity Share Capital	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31				
Face value of share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00				
11 Earnings per equity share (EPS) :										
Basic and Diluted EPS (Rs.) (not annualised)	(0.41)	(0.74)	1.17	(1.58)	(1.24)	(1.94)				

Notes :-

- The Above Financial Results for the quarter ended 31st Dec, 2018 have been reviewed by Audit committee and thereafter approved by Board of Directors at the meeting held on 12th February, 2019
- The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017, the company has, for the first time, adopted Ind AS with transition date of April 1, 2016.
- There is possibility that these quarterly financial results may require adjustments before constituting the final Ind AS Financial Statements as of and for the year ending March 31, 2019 due to changes in financial reporting requirements arising from new or revised Standard or Interpretations issued by MCA or changes in use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.
- The figures for the previous period/ year have been regrouped/reclassified, wherever necessary, to make them comparable
- 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.
- Loans and Advances are subject to realization and according to the management are recoverable fully.

Place : Mumbai

Date : 12th February, 2019



Melstar Information Technologies Limited  
 Regd. Office: 159, 5th Floor, Industry House, Reclamation, Churchgate, Mumbai 400020  
 CIN : L99999MH1986PLC040604

Unaudited Segment-wise Revenue, Results, Assets and Liabilities

(Rs. in Lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
<b>1. Segment Revenue</b> ( Net sale/income from each segments should be disclosed under this head )						
(a) Segment -A ( Software Services )	80.42	87.14	80.82	254.16	255.51	340.85
(b) Segment -B ( IT Infraprojects )	-	-	-	-	-	(5.88)
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Net Sales/Income From Operations</b>	<b>80.42</b>	<b>87.14</b>	<b>80.82</b>	<b>254.16</b>	<b>255.51</b>	<b>334.97</b>
<b>2. Segment Results (Profit)(+)/Loss(-) before tax and interest from each segment)</b>						
(a) Segment -A ( Software Services )	(72.92)	(66.66)	(69.18)	(200.81)	(270.79)	(292.65)
(b) Segment -B ( IT Infraprojects )	-	-	-	-	(3.79)	(9.67)
Less: (i) Interest	12.68	45.75	49.13	107.64	134.48	194.07
Add: (ii) Other Un-allocable Income net off un-allocable expenditure	27.67	6.76	289.55	83.39	235.98	219.79
<b>Total Profit Before Tax</b>	<b>(57.93)</b>	<b>(105.65)</b>	<b>171.24</b>	<b>(225.06)</b>	<b>(173.08)</b>	<b>(276.60)</b>
<b>3. Assets</b>						
(a) Segment -A ( Software Services )	974.85	989.34	584.96	974.85	584.96	512.61
(b) Segment -B ( IT Infraprojects )	153.85	153.85	81.01	153.85	81.01	126.37
(c) Unallocated Assets	962.12	1,000.64	1,678.40	962.12	1,678.40	1,704.02
<b>Total</b>	<b>2,090.83</b>	<b>2,143.83</b>	<b>2,344.37</b>	<b>2,090.83</b>	<b>2,344.37</b>	<b>2,342.99</b>
<b>4. Liabilities</b>						
(a) Segment -A ( Software Services )	1,105.97	1,076.34	679.80	1,105.97	679.80	1,048.95
(b) Segment -B ( IT Infraprojects )	-	-	-	-	-	-
(c) Unallocated Liabilities	1,083.44	1,108.14	1,439.30	1,083.44	1,439.30	1,167.57
<b>Total</b>	<b>2,189.40</b>	<b>2,184.48</b>	<b>2,119.10</b>	<b>2,189.40</b>	<b>2,119.10</b>	<b>2,216.52</b>

Melstar Information Technologies Limited



Director