

MELSTAR INFORMATION TECHNOLOGIES LIMITED

(Under Insolvency Resolution Process)

CIN: L99999MH1986PLC040604

Regd Address: 159, Industry House, 5th Floor, Churchgate Reclamation, Mumbai City - 400020.

Phone no: 022-62356400; Email id: management@melstar.com

BOMBAY STOCK EXCHANGE LIMITED P.J. TOWERS DALAL STREET MUMBAI-400001 SCRIP CODE 532307	NATIONAL STOCK EXCHANGE OF INDIA BANDRAS KURLA COMPLEX, LIMITED EXCHANGE PLAZA , BANDRA (EAST) MUMBAI- 400001 SCRIP CODE 532307
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Sub: Outcome of Board Meeting held on 30th December, 2020

Dear Sir / Madam,

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Pursuant to the provision of Insolvency and Bankruptcy Code 2016, this is to inform you that the Deemed Board Meeting of the Company held today considered and approved inter alia: Un-Audited Financial Results of the Company as per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the quarter & half year ended 30th September, 2020, Limited Review Report from Sharda & Pareek LLP, Chartered Accountants is enclosed.

The Board Meeting commenced at 2:00 p.m. and concluded on 6 :10 p.m.

Yours faithfully,

For Melstar Information Technologies Limited
(Under Insolvency Resolution Process)

S/d

Neehal Mahamullal Pathan

Resolution Professional

[IBBI/IPA-001/IP-P01561/2019-20/12406]

Kindly note that the document could not be physically signed, as the employee are working from home because of the outbreak of COVID -19.

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Branches at **INDORE, BHARUCHI**



SARDA & PAREEK LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th September 2020

Review Report to
The Board of Directors
MELSTAR INFORMATION TECHNOLOGIES LIMITED
Mumbai

We have reviewed the accompanying statement of Standalone unaudited Financial Results of **MELSTAR INFORMATION TECHNOLOGIES LIMITED** ("the Company") for the Quarter and Half Year ended 30th September 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material Uncertainty in relation to Going Concern

The Company has incurred a net loss of Rs. 46.36 lakhs during the Half Year ended September 30, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 417.28.30 lakhs and it has accumulated losses of Rs. 1824.10 Lakhs which has resulted in complete erosion of the net worth of the company. These events raise significant doubt on the ability of the Company to continue as a "Going Concern". These events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

For **SARDA & PAREEK LLP**
Chartered Accountants

FRN: 109262W

Gaurav Sarda
Gaurav Sarda

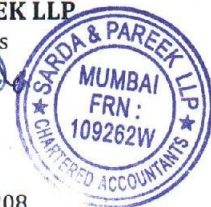
Partner

Membership No. 110208

Date: December 30, 2020

Mumbai,

UDIN:



MELSTAR INFORMATION TECHNOLOGIES LIMITED
Balance Sheet as at September 30, 2020

(Rs. In Lakhs)

Sr. No	PARTICULARS	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020
		Unaudited	Unaudited	Audited
ASSETS				
1	Non-current assets			
	Property, plant and equipment	1.12	1.26	1.35
	Intangible Assets	0.00	0.04	0.01
	Intangible Assets under development	0.00	0.00	0.00
	Right of use Lease Assets	0.00	198.46	0.00
	Investments	14.35	190.75	14.35
	Other non-current assets	36.18	50.51	49.68
	Total Non-Current Assets	51.65	441.02	65.39
2	Current assets			
	Financial assets			
	i. Trade receivable	219.65	66.87	238.43
	ii. Cash and cash equivalents	106.99	96.05	129.54
	iii. Loans & Deposits	593.30	597.57	591.35
	Current Tax Assets (Net)	124.87	122.94	113.10
	Other current assets	32.96	107.60	67.04
	Total Current Assets	1,077.77	991.03	1,139.46
	Total Assets (1+2)	1,129.42	1,432.05	1,204.85
EQUITY AND LIABILITIES				
1	Equity			
	Equity share capital	1,428.31	1,428.31	1,428.31
	Other equity	(1,824.10)	(1,583.26)	(1,777.74)
	Total Equity	(395.79)	(154.95)	(349.43)
2	Non-current liabilities			
	Financial Liabilities			
	i. Borrowings	-	-	-
	ii. Other Financial Liabilities	-	-	-
	Provisions	30.16	35.10	30.16
	Right of Use Lease Liabilities	0.00	214.07	0.00
	Total Non-Current Liabilities	30.16	249.17	30.16
3	Current liabilities			
	Financial liabilities			
	i. Borrowings	297.00	297.00	297.00
	ii. Trade payables			
	a. Total outstanding dues of micro enterprises and small enterprises	-	-	-
	b. Total outstanding dues of creditors other than micro	718.19	715.67	754.80
	iii. Other financial liabilities	-	-	-
	Provisions	29.00	17.98	29.00
	Other current liabilities	450.86	307.18	443.32
	Total Current Liabilities	1,495.05	1,337.83	1,524.12
	Total Equity and Liabilities (1+2+3)	1,129.42	1,432.05	1,204.85
Significant accounting policies				
The accompanying notes are an integral part of the financial statements				

For Melstar Information Technologies Ltd.

Sirish Kumar Sahoo
Director
DIN : 08052666

Neeha Mahapatra
Neeha Mahapatra Pathan
Resolution Professional
Reg. No. IBBI/IPA-001/IP-P/01561/2018-19/12406



Place : Mumbai
Date : December 30, 2020

MELSTAR INFORMATION TECHNOLOGIES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2020

Particular	AS AT SEPTEMBER 20, 2020		AS AT SEPTEMBER 20, 2019		AS AT MARCH 31, 2019	
	Amount	Amount	Amount	Amount	Amount	Amount
A Cash flow from operating activities						
Profit/(Loss) before tax		(46.36)		(259.22)		(465.10)
Adjustments for :						
Depreciation and amortisation	0.24		0.26		0.55	
Provision for doubtful advances	0.00		0.00		0.00	
Provision for Investment Diminution	-		-		176.40	
Profit/(Loss) on Sale of Fixed Assets sold/ discarded (Net)	0.00		0.00		0.00	
Excess Provision Written back	0.00		0.00		0.00	
Opening IND AS 116 Adjustment	0.00	0.00	(11.18)	0.00	0.00	0.00
Interest expense	0.00		32.03		27.61	
Interest received on Inter Corporate Deposits and Other Deposits	-		-		-	
Sundry Credit Balances Written Back	0.00		0.00		0.00	
Foreign Currency Translation Reserve credited to Profit and Loss Account	0.00		0.00		0.00	
Exchange Difference (Net)	0.00		0.00		0.00	
		0.24		21.11		204.56
Operating Profit/ (Loss) before working capital changes		(46.12)		(238.11)		(260.54)
Adjustments for :						
(Increase)/Decrease in Trade Receivable	18.78		(33.69)		(205.25)	
(Increase)/Decrease in Short Term Loan and Advances	(1.95)		286.20		292.42	
(Increase)/Decrease in Other Current Assets	35.81		(14.08)		37.15	
(Increase)/Decrease in Right to use Lease asset	0.00		(198.46)		0.00	
(Increase)/Decrease in Long Term Advances	0.00		0.00		0.00	
Increase/(Decrease) in Long Term Provision	0.00		2.29		(2.43)	
Increase/(Decrease) in Right to use lease liability	0.00		214.07		0.00	
Increase/(Decrease) in Short Term Borrowing	0.00		50.00		50.00	
Increase/(Decrease) in Trade Payable	(36.61)		(9.28)		29.85	
Increase/(Decrease) in Other Current Liabilities	7.54		66.67		202.81	
Increase/(Decrease) in Short Term Provision	0.00	23.57	0.00	363.72	11.02	415.57
Cash generated from operations		(22.55)		125.61		155.03
Interest						
Direct Taxes paid		0.00		0.00		0.00
Refund of Direct taxes						
Income Tax (Paid)/ Refund (Net)		0.00		0.00		0.00
Fringe Benefit Tax paid		0.00		0.00		0.00
Net cash generated from operating activities		(22.55)		125.61		155.03
B Cash flow from investing activities						
Interest received on Inter Corporate Deposits and Other Deposits						
Investments						
(Additions)/Sale of fixed assets	0.00		(0.21)		(0.56)	
Proceeds from sale of fixed assets						
Interest on Income Tax refund	0.00		0.00		0.00	
Repayment of loans/advances by subsidiaries (net)						
Net cash used in investing activities		0.00		(0.21)		(0.56)
C Cash flow from financing activities						
Repayment of borrowings	0.00		0.00		0.00	
Inter Corporate Deposit received	0.00		0.00		0.00	
Inter Corporate Deposit given	0.00		0.00		0.00	
Dividend on cumulative preference shares						
Unclaimed dividend paid						
Loan given	0.00		0.00		0.00	
Loans/advances taken (net)						
Interest paid	0.00		(32.03)		(27.61)	
Redemption of 5% Cumulative Preference Shares						
Unpaid dividend (transferred to Investor Education and Protection Fund)						
Net cash used in financing activities		0.00		(32.03)		(27.61)
Net (decrease)/ increase in cash and cash equivalents		(22.55)		93.37		126.86
Opening balance of cash and cash equivalents		129.54		2.67		2.68
Closing balance of cash and cash equivalents (refer Note 8)		106.99		96.05		129.54

For Melstar Information Technologies Ltd.

Sirish KumarSahoo
Director
DIN : 08052666

Place : Mumbai
Date : December 30, 2020

Neeha Mahamul Pathan
Resolution Professional
Reg. No. IBB/PA-001/IP-P/01561/2018-19/12406



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

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED SEPTEMBER 30, 2020

PARTICULARS	Quarter Ended			For Six Months Ended		Year Ended
	Sept 30, 2020	June 30, 2020	Sept 30, 2019	Sept 30, 2020	Sept 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	61.62	66.50	302.31	128.12	523.70	1,113.35
2 Other income	0.22	0.20	0.70	0.42	2.96	8.05
3 Total revenue (1+2)	61.84	66.70	303.01	128.54	526.66	1,121.40
4 Expenses						
a Employee benefit expense	69.18	63.15	261.87	132.33	469.51	974.99
b Finance costs	-	-	17.38	-	32.03	27.61
c Depreciation and amortization expense	0.10	0.14	0.13	0.24	0.26	0.55
d Depreciation on Right to Use of Lease Asset	-	-	46.80	-	53.97	-
e Other expenses	24.15	18.18	166.33	42.33	230.11	583.35
Total expenses (a+e)	93.43	81.47	492.51	174.90	785.88	1,586.50
5 Profit before tax (3-4)	(31.59)	(14.77)	(189.50)	(46.36)	(259.22)	(465.10)
6 Tax expense:						
Current tax	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	(0.06)
Excess/Short Provision for tax	-	-	-	-	-	-
Total tax expense	-	-	-	-	-	(0.06)
7 Profit for the year (5-6)	(31.59)	(14.77)	(189.50)	(46.36)	(259.22)	(465.04)
8 Other comprehensive income						
Items that will not be reclassified to profit or loss						
i. Remeasurement of the defined benefit plans;	-	-	-	-	-	0.22
ii. Income tax relating to items that will not be reclassified to	-	-	-	-	-	(0.06)
Total other comprehensive income for the year (net of tax) (I+ii)	-	-	-	-	-	0.16
9 Total Comprehensive Income for the year (7+8)	(31.59)	(14.77)	(189.50)	(46.36)	(259.22)	(464.88)
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)	(0.22)	(0.10)	(1.33)	(0.32)	(1.81)	(3.25)

Srinivas

Neelhal M. Pathan



STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED SEPTEMBER 30, 2020

Notes :-

- 1 The Above Financial Results for the quarter ended 30th September,2020 have been reviewed by Audit committee and are approved by Board of Directors at the meeting scheduled on 30th December ,2020. The Accounts approved by Directors are submitted to Resolution Professional (RP) who have reviewed the same.
- 2 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.
- 3 The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from 1 st April, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments.
Since the company is having short term leases (less than a year) and according to the current situation there is uncertainty of renewal of lease contracts thus the impact of INDAS 116 has been reversed.
- 4 The figures for the previous period/ year have been regrouped/ reclassified, wherever necessary, to conform to the current period/ year classification.
- 5 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.
- 6 An application for initiation of corporate insolvency resolution process of Melstar Information Technologies Limited was admitted by the Hon ble National Company Law Tribunal, Mumbai vide order dated October 1, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC) and hence currently, the Company is under corporate insolvency resolution process (CIRP). Mr. Neehal Pathan (IBBI registration number IBBI/PA-001/IP- P01561/2018-19/12406) was appointed as the IRP vide this order. Mr. Neehal Pathan was subsequently confirmed by the Committee of Creditors as the Resolution Professional (RP) in its meeting dated October 30, 2019 under the provisions of IBC.
The Section 20 (1) of IBC, 2016 reads as follows -
The resolution professional shall make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as going concern.

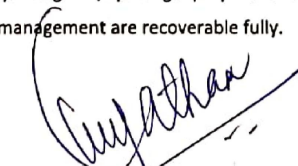
Accordingly, the Resolution Professional has been managing the operations of the Company as a going concern . Considering the above facts and continuing operations of the Company, the financial results have been prepared on a going concern basis.

- 7 As a result of the significant corrections/ analysis made by the Company during the current period, the Company has identified expenses (net) amounting to Rs. 153 lakhs as those relating to prior periods and consequently an amount of Rs. 30 Lakhs has been accounted in the current period. However, in absence of the exact details with regard to the periods to which these pertain, these have not been adjusted in the previous year figures/opening equity as at 1 April 2017.
- 8 Loans and Advances are subject to realization and according to the management are recoverable fully.

For Melstar Information Technologies Limited



Sirish Kumar Sahoo
Director
DIN : 08052666



Neeha Mahamudal Pathan
Resolution Professional
Reg. No. IBBI/PA-001/IP-P/01561/2018-19/12406



Place : Mumbai
Date : December 30,2020