



Melstar Information Technologies Limited

CIN : L99999MH1986PLC040604

Under Corporate Insolvency Resolution Process (CIRP)

13.02.2020

BOMBAY STOCK EXCHANGE LIMITED P. J. TOWERS, DALAL STREET, MUMBAI - 400 001 SCRIP CODE 532307	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 MELSTAR
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Dear Sirs,

SUB: UNAUDITED FINANCIAL RESULTS & LIMITED REVIEW REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED ON 31.12.2019

Pursuant to Regulation 30 and Regulation 33 of SEBI (LODR) Regulations, 2015, we wish to inform you that the Board of Directors at its meeting held today i.e. 13th February, 2020 have inter-alia Considered and Approved the Unaudited Standalone Financial Results for the third Quarter & Nine Months Ended on 31th December 2019.

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we enclosed herewith copy of the following Documents:

- A Copy of Un-audited Standalone Financial Results for the for the third Quarter & Nine Months Ended 31th December 2019 as approved by Board of Directors and Resolution Professional.
- Copy of Limited Review Report from the Auditor of the Company of Unaudited Standalone Financial Results for the third Quarter & Nine Months Ended 31st December 2019.

The Board Meeting Commenced at 02:30 P.M. and Concluded at 4:08 p.m

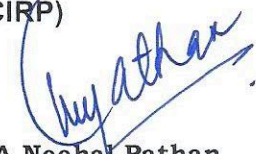
Kindly take note of the same.

Thanking you,
Yours faithfully,

For **MELSTAR INFORMATION TECHNOLOGIES LIMITED**
Under Corporate Insolvency Resolution Process (CIRP)


SIRISH KUMAR SAHOO
Director

DIN: 08052666


CA Neehal Pathan
Resolution Professional



Independent Auditor's Review Report on unaudited standalone quarterly financial results of Melstar Information Technologies Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional,
Melstar Information Technologies Limited
Mumbai

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of M/s Melstar Information Technologies Limited ("the company") for the quarter ended December 31, 2019, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The company is undergoing Corporate Insolvency Resolution Process (CIR Process) under the provisions of the Insolvency and Bankruptcy Code 2016 (Insolvency Code) w.e.f. 1st October, 2019 in terms of orders passed by Hon'ble National Company law Tribunal (NCIT), Mumbai Bench. As per Section 20 of the Insolvency Code, management & operations of the Company are being managed by Resolution Professional Mr. Neehal Pathan, on a Going Concern Basis.
3. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors & Resolution Professional as stated in note 1 & 2 of the accounts has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

4. 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Emphasis of Matter:

5. The Company has incurred a net loss of Rs. 29.30 Lakhs for the quarter ended December 31, 2019 and Rs.288.52 Lakhs for the nine months ended December 31, 2019, as of that date, the Company's current liabilities exceeded its Current assets by Rs.380.61 Lakhs and it has accumulated losses of Rs.1609.06 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.
6. We draw attention to note no. 6 to the accompanying statement of Unaudited Standalone Financial Results which describes the ongoing Corporate Insolvency Resolution Process of the Company under Insolvency and Bankruptcy Code, 2016 ('the Code') and related matters.

Our report is not modified in respect of these matters.

7. Based on our review conducted nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Our conclusion on the Statement is not modifies in respect of the above matter.

For **SARDA & PAREEK**
Chartered Accountants
FRN- 109262W

Gaurav Sarda

Gaurav Sarda
Partner

Membership No- 110208



Place: Mumbai
Date: February 13, 2020

UDIN No. : 20110208AAAAEL6500

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2019



PARTICULARS	Quarter Ended				For Nine Months Ended		Year Ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1 Revenue from operations	329.36	302.31	80.42	853.06	254.16	342.72	
2 Other income	4.43	0.70	49.91	7.39	153.44	903.52	
3 Total revenue (1+2)	333.79	303.01	130.33	860.45	407.60	1,246.24	
4 Expenses							
a Employee benefit expense	282.27	261.87	119.37	751.78	353.18	478.92	
b Finance costs	11.09	17.38	12.68	43.12	107.64	85.63	
c Depreciation and amortization expense	0.15	0.13	0.17	0.41	0.95	1.09	
d Depreciation on Right to Use of Lease Asset	(53.97)	46.80	-	-	-	-	
e Other expenses	123.55	166.33	56.03	353.66	170.88	690.37	
Total expenses (a+e)	363.09	492.51	188.25	1,148.97	632.66	1,256.01	
5 Profit before tax (3-4)	(29.30)	(189.50)	(57.93)	(288.52)	(225.06)	(9.77)	
6 Tax expense:							
Current tax	-	-	-	-	-	-	
Deferred tax	-	-	-	-	-	0.35	
Excess/Short Provision for tax	-	-	-	-	-	-	
Total tax expense	-	-	-	-	-	0.35	
7 Profit for the year (5-6)	(29.30)	(189.50)	(57.93)	(288.52)	(225.06)	(10.12)	
8 Other comprehensive income							
Items that will not be reclassified to profit or loss							
i. Remeasurement of the defined benefit plans;	-	-	-	-	-	(1.26)	
ii. Income tax relating to items that will not be reclassified to	-	-	-	-	-	0.35	
Total other comprehensive income for the year (net of tax) (i+ii)	-	-	-	-	-	(0.91)	
9 Total Comprehensive Income for the year (7+8)	(29.30)	(189.50)	(57.93)	(288.52)	(225.06)	(11.03)	
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)	(0.21)	(1.33)	(0.41)	(2.02)	(1.58)	(0.08)	

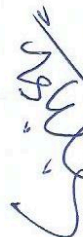
Notes :-


- 1 The Above Financial Results for the quarter ended 31st December, 2019 have been reviewed by Audit committee and are approved by Board of Directors at the meeting scheduled on 13th February, 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 India 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- P01561/2019-20/12406) 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


Shish Kumar Sahoo
Director
DIN : 08052566


Shireen Mohd Haneef Khan
Director
DIN : 08669626




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

Place : Mumbai
Date : 13th February, 2020

Unaudited standalone Segment-wise Revenue, Results, Assets and Liabilities for the quarter and year ended 31 December, 2019

Particulars	Quarter Ended			For Nine months Ended		(Rs. in Lakhs)
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	Year Ended March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue (Net sale/income from each segments should be disclosed under this head)						
(a) Segment -A (Software Services)	333.79	303.01	80.42	860.45	254.16	739.05
(b) Segment -B (IT Infraprojects)	-	-	-	-	-	-
(c) Unallocated	-	-	-	-	-	507.20
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Sales/Income From Operations	333.79	303.01	80.42	860.45	254.16	1,246.25
2.Segment Results (Profit)(+/-)/Loss(-) before tax and interest from each segment						
(a) Segment -A (Software Services)	(8.76)	(157.43)	(72.92)	(200.33)	(200.81)	(231.32)
(b) Segment -B (IT Infraprojects)	-	-	-	-	-	-
Less: (i) Interest	15.52	14.38	12.68	43.13	107.64	85.63
Add: (ii) Other Un-allocable Income net off un-allocable expenditure	(5.03)	(17.69)	27.67	(45.07)	83.39	305.92
Total Profit Before Tax	(29.30)	(189.50)	(57.93)	(288.52)	(225.06)	(11.03)
3. Assets						
(a) Segment -A (Software Services)	358.15	451.79	974.85	358.15	974.85	192.70
(b) Segment -B (IT Infraprojects)	82.65	82.65	153.85	82.65	153.85	82.65
(c) Unallocated Assets	920.96	897.61	962.12	920.96	962.12	1,103.36
Total	1,361.76	1,432.05	2,090.82	1,361.76	2,090.82	1,378.71
4. Liabilities						
(a) Segment -A (Software Services)	1,534.83	1,587.00	1,105.97	1,534.83	1,105.97	1,263.25
(b) Segment -B (IT Infraprojects)	-	-	-	-	-	-
(c) Unallocated Liabilities	-	-	1,083.44	-	1,083.44	-
Total	1,534.83	1,587.00	2,189.41	1,534.83	2,189.40	1,263.25

For Melstar Information Technologies Ltd

Sirish
 Sirish Kumar Sahoo
 Director
 DIN : 08052666

Shireen
 Shireen Mohd Haneef Khan
 Director
 DIN : 08669626



Neehal
 Neehal Mahamulal Pathan
 Resolution Professional
 Reg. No. IBB/I/PA-001/IP-P/01561/2018-19/12406

Place : Mumbai
 Date : 13th February, 2020