

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 9thDecember, 2020

Dear Sir / Madam,

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company at their meeting held today inter alia considered and approved the following:

1. Statement of Standalone Audited Financial Results and of the Company for the quarter and year ended 31" March, 2020 as per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
2. A copy of Statutory Auditor's Report for the Financial Year ended 31st March, 2020 is enclosed herewith.
3. The 33rd AGM of the Company will be held on 31st December 2020 at 11: am through VC/OVAM.
4. The Register of Members and Share transfer Books of the Company will remain closed from Thursday, December 24, 2020 to Thursday, December 31st, 2020 (Both days inclusive) for taking record of the Members of the Company for the purpose of Annual General Meeting, E-Voting.
5. Anil Kumar Somani, Anil Somani & Associates , Practicing Company Secretary D-94, Ist Floor, Indra Market, Bhilwara, Rajasthan-311001 has been appointed as Scrutinizer for the Annual General Meeting and NSDL as E-voting Agency .
6. Considered the draft Notice of Annual General Meeting Board Report to be held on 31st December 2020.
7. Anil Kumar Somani, Anil Somani & Associates , Practicing Company Secretary D-94, Ist Floor, Indra Market, Bhilwara, Rajasthan-311001 has been appointed as Secretarial Auditor of the company For the FY 2020-2021.

The Board Meeting commenced at 2:00 p.m. and concluded on 5: 15 p.m.

Yours faithfully,

For Melstar Information Technologies Limited

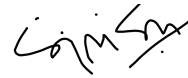
(Under Insolvency Resolution Process)


Neehal Mahamullal Pathan
Resolution Professional

Neehal Mahamullal Pathan

Resolution Professional

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



Sirish Kumar Sahoo

Director

DIN : 08052666



**INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM AUDITED
FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH 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 year ended 31st March 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

Further as mentioned in Note to the results, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continues to incur losses. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the standalone financial statements are continued to be prepared on going concern basis. However, there exists a material uncertainty about the ability of the Company to continue as a "Going Concern". The same is dependent upon the resolution plan to be approved by NCLT. The appropriateness of the preparation of standalone financial statements on a going concern basis is critically dependent upon CIRP as specified in the Code. necessary adjustments required on the carrying amount of assets and liabilities are not ascertainable at this stage.

For **SARDA & PAREEK LLP**

Chartered Accountants

FRN: 109262W

Gaurav Sarda

Gaurav Sarda

Partner

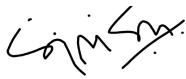


Membership No. 110208

Date: December 09, 2020

Mumbai,

UDIN: 20110208AAAANN7500



AUDITED STATEMENT OF ASSETS AND LIABILITIES		(` in Lakhs)	
	Particulars	As at	As at
		31.03.2020	31.03.2019
		Audited	Audited
	ASSETS		
1	Non-Current Assets		
	(a) Property, plant and equipment	1.35	1.28
	(b) Capital Work-in-progress		
	(c) Investment Property		
	(d) Other Intangible Assets	0.01	0.07
	(e) <u>Financial assets</u>		
	i) Investments	14.35	190.75
	ii) Loans		
	iii) Deposits		
	iv) Other financial assets		
	(f) Income Tax Assets		
	(g) Other non-current assets	49.68	29.01
	Total Non-Current Assets	65.39	221.11
2	Current Assets		
	(a) Inventories		
	(b) <u>Financial assets</u>		
	i) Investments		
	ii) Trade receivables	238.43	33.18
	iii) Cash and Cash Equivalents	0.25	0.22
	iv) Bank balances other than (iii) above	129.29	2.46
	v) Loans	71.25	71.25
	vi) Deposits	520.10	812.52
	vii) Other financial assets		
	(c) Income Tax Assets	113.10	204.63
	(d) Other Current Assets	67.04	33.33
	Total Current Assets	1,139.46	1,157.69
	TOTAL - ASSETS (1+2)	1,204.85	1,378.70
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	1,428.31	1,428.31
	(b) Other equity	(1,777.74)	(1,312.86)
	Total Equity	(349.43)	115.45
2	LIABILITIES		
	Non-Current Liabilities		
	(a) <u>Financial Liabilities</u>		
	i) Borrowings		
	ii) Other Financial Liabilities		
	(b) Provisions	30.16	32.81
	(c) Deferred Tax Liabilities		
	(d) Other Non-current Liabilities		
	Total Non-Current Liabilities	30.16	32.81
3	Current Liabilities		
	(a) <u>Financial Liabilities</u>		
	i) Borrowings	297.00	247.00
	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	754.80	724.95
	iii) Other financial liabilities		
	(b) Provisions	29.00	17.98
	(c) Current tax Liabilities		
	(d) Other current liabilities	443.32	240.51
	Total Current Liabilities	1,524.12	1,230.44
	TOTAL - EQUITY AND LIABILITIES (1+2+3)	1,204.85	1,378.70
	For Melstar Information Technologies Limited		
Place : Mumbai			
Date : December 9, 2020	Sirish Kumar Sahoo Director DIN : 08052666	Neeha Mahamul Pathan Resolution Professional Neeha Mahamul Pathan Resolution Professional Reg. No. I.BBI/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 MARCH 31, 2020



PARTICULARS	Quarter Ended			Year Ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
1 Revenue from operations	260.29	329.36	88.56	1,113.35	342.72
2 Other income	0.66	4.43	750.08	8.05	903.52
3 Total revenue (1+2)	260.95	333.79	838.64	1,121.40	1,246.24
4 Expenses					
a Employee benefit expense	223.21	282.27	125.74	974.99	478.92
b Finance costs	(15.51)	11.09	(22.01)	27.61	85.63
c Depreciation and amortization expense	0.14	0.15	0.14	0.55	1.09
d Depreciation on Right to Use of Lease Asset	-	(53.97)	-	-	-
e Other expenses	229.69	123.55	519.49	583.35	690.37
Total expenses (a+e)	437.53	363.09	623.36	1,586.50	1,256.01
5 Profit before tax (3-4)	(176.58)	(29.30)	215.27	(465.10)	(9.77)
6 Tax expense:					
Current tax	-	-	-	-	-
Deferred tax	(0.06)	-	0.35	(0.06)	0.35
Excess/Short Provision for tax	-	-	-	-	-
Total tax expense	(0.06)	-	0.35	(0.06)	0.35
7 Profit for the year (5-6)	(176.52)	(29.30)	214.93	(465.04)	(10.12)
8 Other comprehensive income					
Items that will not be reclassified to profit or loss					
i. Remeasurement of the defined benefit plans;	0.22		(1.26)	0.22	(1.26)
ii. Income tax relating to items that will not be reclassified to	(0.06)		0.35	(0.06)	0.35
Total other comprehensive income for the year (net of tax) (i+ii)	0.16	-	(0.91)	0.16	(0.91)
9 Total Comprehensive Income for the year (7+8)	(176.36)	(29.30)	214.02	(464.88)	(11.03)
10 Paid-up Equity Share Capital	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
11 Earnings per equity share (EPS) :					
Basic and Diluted EPS (Rs.) (not annualised)	(1.23)	(0.21)	1.50	(3.25)	(0.08)

Notes :-

- 1 The Above Financial Results for the quarter ended 31st March,2020 have been reviewed by Audit committee and are approved by Board of Directors at the meeting scheduled on 9th 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 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/IPA-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.
9 The Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continue to incur losses. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the standalone financial statements are continued to be prepared on going concern basis. The Company continues the process for ascertaining the realisable value for its assets (including inventories and trade receivables) and necessary adjustments to the carrying value will be effected in due course, the impact of which is not ascertainable at this stage.
Pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors.

For Melstar Information Technologies Limited


Sirish Kumar Sahoo
Director
DIN : 08052666


Neeha Mahamul Pathan
Resolution Professional

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

Place : Mumbai
Date : December 9, 2020

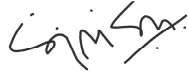
AUDITED CASH FLOW STATEMENT		
(' in Lakhs)		
Particulars	As at 31.03.2020 Audited	As at 31.03.2019 Audited
A Cash flow from Operating activities		
Profit before tax, Extraordinary Items	(465.10)	(9.76)
Adjustment for :		
Finance Costs		
Depreciation and amortization expense	0.55	1.09
(Profit) / Loss on sale of Property, Plant and Equipment		
Provision for Doubtful Debts / Loans and advances (Net of Written back)		
Provision for Investment Diminution	11.40	35.00
Dividend received		
Unrealized foreign exchange (gain)/loss (net)		
Net (gain) / loss arising on investments mandatorily measured at fair value through profit and loss	165.00	
Net (gain) / loss arising on Fair value change of Borrowing		
Interest received classified as investing cash Flows		
Interest Expenses	27.61	85.63
Rent received		
Operating Profit before working capital changes	(260.54)	111.96
Adjustment for :		
Trade and other receivables	124.32	86.94
Fixed Deposits with bank and balance in unpaid dividend account not considered as cash equivalents		
Inventories		
Trade and Other Payables	291.25	(954.52)
Cash generated from operations		
Income Tax (paid) /refund		
Net cash flow from/ (used in) Operating activities (A)	155.03	(755.62)
B Cash flows from Investing activities		
Sale / (Addition) of / to Property, Plant and Equipment (Net of amortization expense capitalized)	(0.56)	860.66
Sale / (Addition) of/to non-current Investments		
Rent received		
Interest received		
Dividend received		
Net cash flow from/ (used in) Investing activities (B)	(0.56)	860.66
C Cash flows from Financing activities		
Finance Costs		
Proceeds /(repayment) from/(of) long-term borrowings		
Proceeds / (repayment) from/(of) Short-term borrowings		
Loan Given		(35.00)
Interest Paid	(27.61)	(85.63)
Dividend Paid		
Dividend Distribution Tax Paid		
Net cash flow from/(used in) in financing activities (C)	(27.61)	(120.63)
Net increase /(decrease) in cash and cash equivalents (A+B+C)	126.86	(15.59)
Cash and cash equivalents at the beginning of the year	2.68	18.27
Cash and cash equivalents at the end of the year	129.54	2.68

Notes:

(i) **Cash and Cash equivalents comprises of :**

Balances with banks:		
-In Current Accounts	115.22	2.46
-in Deposits Accounts	14.07	
Cash on hand	0.25	0.22
Total	129.54	2.68

(ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statement of Cash



Sirish Kumar Sahoo
Director
DIN : 8052666

For Melstar Information Technologies Ltd

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



Neehal Mahamul Pathan
Resolution Professional



Place : Mumbai
Date : December 9, 2020