

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 29th 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 ended 30th June, 2020. Limited Review Report from Sharda & Pareek LLP, Chartered Accountants is enclosed.

The Board Meeting commenced at 2:00 p.m. and concluded on 5:40 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.



INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th June 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 ended 30th June 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. 14.77 lakhs during the Quarter ended June 30, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 399.30 lakhs and it has accumulated losses of Rs. 1788.79 Lakhs which has resulted in complete erosion of the networth 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 Sardas

Gaurav Sardas

Partner

Membership No. 110208

Date: December 26, 2020

Mumbai,

UDIN:



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 JUNE 30, 2020

PARTICULARS	Quarter Ended			Year Ended
	June 30, 2020	March 31, 2020	June 31, 2019	March 31, 2020
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations	66.50	260.29	221.39	1,113.35
2 Other income	0.20	0.66	2.26	8.05
3 Total revenue (1+2)	66.70	260.95	223.65	1,121.40
4 Expenses				
a Employee benefit expense	63.15	223.21	207.64	974.99
b Finance costs	-	(15.51)	14.65	27.61
c Depreciation and amortization expense	0.14	0.14	0.13	0.55
d Depreciation on Right to Use of Lease Asset	-	-	7.17	-
e Other expenses	18.18	229.69	63.78	583.35
Total expenses (a+e)	81.47	437.53	293.37	1,586.50
5 Profit before tax (3-4)	(14.77)	(176.58)	(69.72)	(465.10)
6 Tax expense:				
Current tax	-	-	-	-
Deferred tax	-	(0.06)	-	(0.06)
Excess/Short Provision for tax	-	-	-	-
Total tax expense	-	(0.06)	-	(0.06)
7 Profit for the year (5-6)	(14.77)	(176.52)	(69.72)	(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	-	0.22
ii. Income tax relating to items that will not be reclassified to	-	(0.06)	-	(0.06)
Total other comprehensive income for the year (net of tax) (i+ii)	-	0.16	-	0.16
9 Total Comprehensive Income for the year (7+8)	(14.77)	(176.36)	(69.72)	(464.88)
10 Paid-up Equity Share Capital	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
11 Earnings per equity share (EPS) :				
Basic and Diluted EPS (Rs.) (not annualised)	(0.10)	(1.23)	(0.49)	(3.25)

Notes :-


- 1 The Above Financial Results for the quarter ended 30th June ,2020 have been reviewed by Audit committee and are approved by Board of Directors at the meeting scheduled on 29th 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
 - 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/IPA-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



Place : Mumbai
Date : 29th December,2020


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

