



Melstar Information Technologies Limited

CIN : L99999MH1986PLC040604



THE YASH BIRLA GROUP

30.05.2016

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

Dear Sirs,

SUB: AUDITED FINANCIAL RESULTS & LIMITED REVIEW REPORT FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31.03.2016.

REF: OUR LETTER DATED 28.04.2016

Pursuant to the provisions of the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the statement showing the details of audited financial results along with Limited Review Report for the Fourth Quarter and Twelve months ended **31.03.2016**.

The Board Meeting commenced at 5.00 p m & concluded at 6.30 p m

Kindly take the documents on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For **MELSTAR INFORMATION TECHNOLOGIES LIMITED**

(VIJAY MODI)
COMPANY SECRETARY

Encl: As above.

Registered / Corporate Office:
Melstar House, G-4, M.I.D.C.
Cross Road "A", Andheri (East),
Mumbai 400 093. INDIA.
Phone : +91(22) 4056 6464
Fax : +91(22) 2831 0520
URL : www.melstar.com

PART I
Statement of Audited Financial Results for the quarter and year ended 31/03/2016 (₹ In Lakhs)

Particulars	3 months ended			Year to date for the year ended		Year to date for the year ended	
	31/03/2016 (Audited)	31/12/2015 (Unaudited)	31/03/2015 (Audited)	31/03/2016 (Audited)	31/03/2015 (Audited)	31/03/2016 (Audited)	31/03/2015 (Audited)
1 Income from operations							
(a) Net Sales/ Income from operations	942.19	660.93	667.95	3,095.27	2,235.83	3,152.74	2,235.83
(b) Other operating income	7.56	5.77	16.68	21.88	20.40	24.64	20.40
Total Income from operations (net)	949.75	666.70	684.62	3,117.15	2,256.22	3,177.38	2,256.22
2 Expenses							
(a) Purchases of Stock in Trade	-	-	-	2.00	-	2.00	-
(b) Changes in inventories of finished goods, work in progress	-	-	-	-	-	5.58	-
(c) Employee benefits expense	294.26	447.52	462.40	1,541.15	1,718.07	1,704.18	1,718.07
(d) Purchases - Software services and IT infra services	467.89	184.92	141.36	1,060.14	206.13	1,069.51	206.13
(e) Depreciation and amortisation expense	16.10	16.16	16.29	64.55	71.06	69.42	71.06
(f) Other expenses	39.83	39.44	51.01	153.40	184.61	192.67	185.39
(g) Irrecoverable debts/ advances written off	9.24	-	6.62	9.24	6.62	10.86	6.62
Total expenses	827.32	688.04	677.67	2,940.48	2,188.48	3,054.22	2,187.26
3 Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)	122.43	(21.34)	6.96	176.67	69.75	123.16	68.96
4 Other Income	0.70	-	(1.77)	0.83	80.51	0.83	80.51
5 Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)	123.13	(21.34)	5.18	177.50	150.25	123.99	149.47
6 Finance costs	49.85	35.66	35.52	157.41	137.14	158.11	137.14
7 Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	73.28	(57.00)	(30.33)	20.09	13.12	(34.12)	12.33
8 Exceptional items	-	-	-	-	(178.55)	(3.67)	(178.55)
9 Profit/ (Loss) from ordinary activities before tax (7 ± 8)	73.28	(57.00)	(30.33)	20.09	(165.43)	(34.12)	(166.22)
10 Tax Expense	-	-	-	-	-	(3.67)	-
11 Net Profit/(Loss) from ordinary activities after tax (9 ± 10)	73.28	(57.00)	(30.33)	20.09	(165.43)	(37.79)	(166.22)
12 Extraordinary items (net of tax expenses ₹ Lakhs)	-	-	-	-	-	-	-
13 Net Profit/(Loss) for the period (11 ± 12)	73.28	(57.00)	(30.33)	20.09	(165.43)	(37.79)	(166.22)
14 Share of profit / (loss) of associates	-	-	-	-	-	-	-
15 Minority Interest	-	-	-	-	-	-	-
16 Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)	73.28	(57.00)	(30.33)	20.09	(165.43)	(37.79)	(166.22)
17 Paid-up Equity Share Capital (Face Value Rs.10/- per share)	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(632.52)	(649.63)	(690.60)	(649.63)
19 I Earnings Per Share (before Extraordinary Items) (of ₹ 10/- each) (not annualised):							
(a) Basic	0.51	(0.40)	(0.21)	0.14	(1.16)	(0.26)	(1.16)
(b) Diluted	0.51	(0.40)	(0.21)	0.14	(1.16)	(0.26)	(1.16)
19 II Earnings Per Share (after Extraordinary Items) (of ₹ 10/- each) (not annualised):							
(a) Basic	0.51	(0.40)	(0.21)	0.14	(1.16)	(0.26)	(1.16)
(b) Diluted	0.51	(0.40)	(0.21)	0.14	(1.16)	(0.26)	(1.16)

See accompanying notes to the financial results.

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PART II

Select Information for the quarter and year ended 31/03/2016

Particulars	Standalone				Consolidated Group	
	3 months ended		Year to date for the year ended		Year to date for the year ended	
	31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015	31/03/2015
A	PARTICULARS OF SHAREHOLDING					
1 Public Shareholding						
-Number of shares	7,262,163	7,262,163	7,262,163	7,262,163	7,262,163	7,262,163
-Percentage of shareholding	50.84	50.84	50.84	50.84	50.84	50.84
2 Promoters and Promoter group Shareholding						
a) Pledged/ Encumbered						
- Number of shares	5,535,046	6,178,332	4,630,157	5,535,046	4,630,157	5,535,046
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	78.84	88.00	65.95	78.84	65.95	78.84
- Percentage of shares (as a % of the total share capital of the company)	38.75	43.26	32.42	38.75	32.42	38.75
b) Non - encumbered						
- Number of shares	1,485,930	842,644	2,390,819	1,485,930	2,390,819	1,485,930
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	21.16	12.00	34.05	21.16	34.05	21.16
- Percentage of shares (as a % of the total share capital of the company)	10.41	5.90	16.74	10.41	16.74	10.41
B	INVESTOR COMPLAINTS					
Pending at the beginning of the quarter	Nil					
Received during the quarter	Nil					
Disposed of during the quarter	Nil					
Remaining unresolved at the end of the quarter	Nil					

For Melstar Information Technologies Limited

Sanjiv Tandon
 Sanjiv Tandon
 Managing Director
 DIN No. 02600913
 Place : Mumbai
 Date: May 30, 2016



MELSTAR INFORMATION TECHNOLOGIES LIMITED

NOTES:

- The aforesaid Audited Financial Results were reviewed by the Audit Committee at its Meeting held on May 30, 2016 and thereafter approved and taken on record by the Board of Directors at their Meeting held on May 30, 2016.
- Statement of assets and liabilities as at end of March 31, 2016 is as under:-

(₹ in Lakhs)

Particulars	Standalone		Consolidated Group	
	As at	As at	As at	As at
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Audited	Audited	Audited	Audited
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	1,428.31	1,428.31	1,428.31	1,428.31
(b) Reserves and surplus	(632.52)	(649.63)	(690.60)	(649.83)
Sub-total - Shareholders' funds	795.79	778.69	737.71	778.48
2 Non-current liabilities				
(a) Long-term borrowings	3.34	-	11.73	-
(b) Long-term provisions	52.79	48.36	52.79	48.36
Sub-total - Non-current liabilities	56.13	48.36	64.52	48.36
3 Current liabilities				
(a) Short-term borrowings	943.49	878.81	1,096.50	878.81
(b) Trade payables	785.36	373.15	813.20	375.84
(c) Other current liabilities	174.22	110.52	184.01	110.52
(d) Short-term provisions	17.80	21.17	22.30	21.17
Sub-total - Current liabilities	1,920.88	1,383.65	2,116.01	1,386.33
TOTAL - EQUITY AND LIABILITIES	2,772.80	2,210.70	2,918.24	2,213.18
B ASSETS				
1 Non-current assets				
(a) Fixed assets	994.90	907.15	1,077.72	907.15
(b) Non-current investments	95.00	35.00	35.00	35.00
(c) Long-term loans and advances	494.12	345.94	512.01	345.94
Sub-total - Non-current assets	1,584.02	1,288.09	1,624.73	1,288.09
2 Current assets				
(a) Inventories	-	-	44.84	-
(b) Trade receivables	447.63	445.61	482.65	447.18
(c) Cash and cash equivalents	2.54	11.11	8.69	12.02
(d) Short-term loans and advances	223.18	210.26	241.91	210.26
(e) Other current assets	515.42	255.63	515.42	255.63
Sub-total - Current assets	1,188.77	922.61	1,293.51	925.09
TOTAL - ASSETS	2,772.80	2,210.70	2,918.24	2,213.18

- The financial results for the quarter ended 31st March, 2016 and 31st March, 2015 are balancing figures between audited results for the full financial year and the published year to date figures up to the third quarter of the respective financial years.
- The Annual Consolidated Financial Results have been prepared by consolidating audited financial statements of Holding Company and two wholly owned subsidiaries Melstar Inc. USA and IDV Technology Solutions Pvt. Ltd. India (w.e.f. 23.12.2015).

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5. There is no qualification in the Independent Auditor's Report on Standalone Financial Statements. The Independent Auditor's Report on Consolidated Financial Statements has been qualified by the Auditor based on the opinion of the Auditor of Overseas Subsidiary with respect to the said subsidiary has suffered recurring losses and has a net capital deficiency. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans currently do not reflect that the subsidiary will continue as a going concern. The financial statements include all adjustments relating to the recoverability and classification of assets carrying amounts or the amounts and classification of liabilities which render the Subsidiary be unable to continue as a going concern.

In the opinion of the management, since the carrying amounts of the assets of the subsidiary in the consolidated financial statements is not material and all the liabilities of this subsidiary is appropriately classified in the consolidated financial statements, no adjustments to their classification would be necessary, if the said subsidiary is unable to continue on going concern basis.

6. The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.

For **Melstar Information Technologies Limited**

Sanjiv Tandon
Sanjiv Tandon
Managing Director
DIN No. 02600973
Place: Mumbai
Date: May 30, 2016



Melstar Information Technologies Limited

Regd. Office: Melstar House, G4, MIDC Cross Road A, Andheri (E), Mumbai- 400 093

CIN : L99999MH1986PLCC040604

Segment-wise revenue, results and capital employed for the quarter and year ended 31/03/2016

Sr. No.	Particulars	3 months ended			Year to date for the year ended		Year to date for the year ended	
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue							
	(a) Software Services	646.99	647.29	685.25	2,732.04	2,256.22	2,734.80	2,256.22
	(b) IT Infra Projects	302.76	19.41	-	385.10	-	442.58	-
	Total	949.75	666.70	685.25	3,117.15	2,256.22	3,177.38	2,256.22
	Less: Inter-segment Revenue							
	Total Segment Revenue	949.75	666.70	685.25	3,117.15	2,256.22	3,177.38	2,256.22
2	Segment results (Profit/ (Loss) before tax and interest but after Exceptional Items)							
	(a) Software Services	128.28	1.83	27.59	235.82	156.81	236.20	156.03
	(b) IT Infra Projects	17.73	(0.97)	-	25.03	-	(28.86)	-
	Total	146.02	0.85	27.59	260.84	156.81	207.34	156.03
	Less: Interest	46.35	35.66	34.85	153.91	133.76	154.61	133.76
	Less: Un-allocated Expenses net of unallocable income	26.39	22.20	23.07	86.85	188.48	86.85	188.48
	Profit/ (Loss) before tax	73.28	(57.00)	(30.33)	20.09	(165.43)	(34.12)	(166.21)
	Tax expenses	-	-	-	-	-	(3.67)	-
	Profit/ (Loss) after tax	73.28	(57.00)	(30.33)	20.09	(165.43)	(37.79)	(166.21)
3	Capital employed (Segment Assets less Segment Liabilities)							
	(a) Software Services	762.57	701.25	901.03	762.57	901.03	762.76	900.83
	(b) IT Infra Projects	101.60	81.89	-	101.60	-	43.33	-
	(c) Un-allocated	(68.37)	(57.71)	(122.36)	(68.37)	(122.36)	(68.37)	(122.36)
	Total	795.79	725.42	778.68	795.79	778.68	737.72	778.48

Notes:-

- (a) The Company has identified business segments as primary segment, having regard to the organizational structure, location of customers, internal financial reporting systems and different risk and returns.
(b) The segments are Software Services and IT Infra Projects.
 - Unallocated assets represent Fixed and other assets, which are not identifiable to any of the reportable segments as the same are used interchangeably between segments.
 - The figures of the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period's classification.
- For Melstar Information Technologies Limited

Sanjiv Tandon
Sanjiv Tandon
Managing Director
DIN No- 02600973
Place : Mumbai
Date: May 30, 2016





Auditor's Report On Quarterly Financial Results and Year to Date 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 of

Melstar Information Technologies Limited

We have audited the quarterly financial results of Melstar Information Technologies Limited ("the Company") for the quarter ended March 31, 2016 and the year to date financial results for the period from April 01, 2015 to March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS) 25, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(i) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2016 as well as the year to date results for the period from April 01, 2015 to March 31, 2016.

For Jai Prakash Upadhyay & Co.

Chartered Accountants

Firm Registration No. 125073W


Jai Prakash Upadhyay

Proprietor

Membership No.116778



Mumbai, Dated: May 30, 2016



Jai Prakash Upadhyay & Co.

CHARTERED ACCOUNTANTS

Office : 12/14, Maharashtra Bhavan, Mezzain Floor, Office 18, Behind Old Handloom House, Bora Masjid Street, Fort, Mumbai - 400 001.

Tel: +91-22-22653616 • Cell : +91-9323013533 / 7506373533 • Email : jaiupadhyay@gmail.com • (Firm Reg: 125073W)

Auditor's Report On Consolidated Financial Results of Melstar Information Technologies Limited for the year ended March 31, 2016, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Melstar Information Technologies Limited


1. We have audited the consolidated financial results of Melstar Information Technologies Limited ("the company") and subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results have been prepared from consolidated financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries included in the consolidated financial results, whose consolidated financial statements reflect total assets of Rs.145.44 Lakhs as at March 31, 2016; as well as the total revenue of Rs.85.02 Lakhs as at March 31, 2016. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We draw attention to Note no.5 of the consolidated financial result regarding qualification in the Audit Report of the overseas subsidiary with respect to ability of subsidiary to continue as going concern. Our opinion is qualified in respect of this matter.



5. In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the paragraph above, these consolidated financial results:

- (i) include the financial results of the following entities:
 - (a) Melstar Information Technologies Limited
 - (b) Melstar Inc. USA
 - (c) IDV Technology Solutions Private Limited (w.e.f. 23.12.2015).
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (iii) give a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2016.

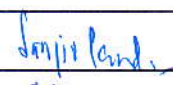


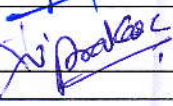
For Jai Prakash Upadhyay & Co.
Chartered Accountants
Firm Registration No. 125073W


Jai Prakash Upadhyay
Proprietor
Membership No.116778



Mumbai, Dated: May 30, 2016

Statement on impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016				
[See Regulation 33/52 of the SEBI (LODR)(Amendment)Regulations,2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Lakhs
		1.	Turnover / Total income	3152.74
	2.	Total Expenditure	3212.33	N.A.
	3.	Net (Loss)	(37.79)	N.A.
	4.	Earnings Per Share Rupees	(0.26)	N.A.
	5.	Total Assets	2918.24	N.A.
	6.	Total Liabilities	2180.52	N.A.
	7.	Net Worth	737.72	N.A.
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification (each audit qualification separately):				
	a.	Details of Audit Qualification: Qualified opinion in the Audit Report of one of the subsidiary with respect to the said subsidiary has suffered recurring losses and has a net capital deficiency. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans currently do not reflect that the subsidiary will continue as a going concern. The financial statements include all adjustments relating to the recoverability and classification of assets carrying amounts or the amounts and classification of liabilities which render the Subsidiary be unable to continue as a going concern.		
	b.	Type of Audit Qualification : Qualified Opinion		
		Frequency of qualification: Qualified opinion appears for 2nd time		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of audit qualification:		
	(ii)	If management is unable to estimate the impact, reasons for the same: In the opinion of the management, since the carrying amounts of the assets of the subsidiary in the consolidated financial statements is not material and all the liabilities of this subsidiary is appropriately classified in the consolidated financial statements, no adjustments to their classification would be necessary, if the said subsidiary is unable to continue on going concern basis.		
	(iii)	Auditors' Comments on (i) or (ii) above: Since the carrying amounts of the assets of the subsidiary in the consolidated financial statements is not material and all the liabilities of this subsidiary are appropriately classified in the consolidated financial statements, no adjustments to their classification would be necessary, if the said subsidiary is unable to continue on going concern basis.		
III. Signatories:				
	•	Managing Director	Sanjiv Tandon	
	•	Chief Financial Officer	Anil S. Korpe	
	•	Audit Committee Chairman	Ashish Mahendrakar	
	•	Statutory Auditor	Jai Prakash Upadhayay	
Place: Mumbai				
Date: 30/05/2016				



Melstar Information Technologies Limited

Regd. Office: Melstar House, G4, MIDC Cross Road A, Andheri (E), Mumbai- 400 093

CIN : L99999MH1986PLC040604

Statement of Audited Standalone financial results for the quarter and year ended 31/03/2016

(₹ in Lakhs)

Particulars	Standalone				Consolidated	
	Quarter ended on 31/03/2016 (Audited)	Quarter ended on 31/03/2015 (Audited)	Year ended on 31/03/2016 (Audited)	Year ended on 31/03/2015 (Audited)	Year ended on 31/03/2016 (Audited)	Year ended on 31/03/2015 (Audited)
Total Income from operations (net)	949.75	684.62	3,117.15	2,256.22	3,177.38	2,256.22
Net Profit/(Loss) from ordinary activities after tax	73.28	(30.33)	20.09	(165.43)	(37.79)	(166.22)
Net Profit/(Loss) for the period after tax	73.28	(30.33)	20.09	(165.43)	(37.79)	(166.22)
Equity Share Capital	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31	1,428.31
Reserves excluding Revaluation Reserves as per Balance Sheet of previous year	-	-	(632.52)	(649.63)	(690.60)	(649.83)
Earnings Per Share (of ₹ 10/- each)						
Basic :	0.51	(0.21)	0.14	(1.16)	(0.26)	(1.16)
Diluted :	0.51	(0.21)	0.14	(1.16)	(0.26)	(1.16)

Note : The above is an extract of the detailed format of the financial results for the Quarter and Year ended 31st March, 2016, filed with the Stock Exchanges, under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results for the Quarter and Year ended 31st March, 2016 is available on the websites of the Stock Exchanges, www.nseindia.com and www.bseindia.com and on the Company's website www.melstar.com.

For Melstar Information Technologies Limited

Sanjiv Tandon

Managing Director

DFN No. 02600973

Place : Mumbai

Date: May 30, 2016

