Date: 30/11/2024

**The General Manager**
Corporate Relationship Department Limited
BSE Limited Exchange
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,)
Mumbai 400 001
BSE Scrip Code: 532307

**The Manager**
National Stock Exchange of India
Plaza, C/1, Block G
Bandra - Kurla Complex,
Bandra (East
Mumbai 400 051
NSE Symbol: MELSTAR

Dear Sirs,

Sub: **Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has informed that 34th Annual General Meeting of the Company is scheduled to be held on Monday, December 23, 2024 at 11.00 A.M (IST) through Video Conferencing / Other Audio-visual Means. Pursuant to Regulations 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

We enclose herewith the Annual Report for the financial year 2020-21 along with the Notice convening 34th Annual General Meeting of the Company. The same is also being sent through electronic mode to all those Members whose e-mail addresses are registered with the Company / Depositories / Registrar & Share Transfer Agent.

The same is also available on the Company's website at www.melstarrtech.com

You are requested to take the same on record.

Thanking you,

For Melstar Information Technologies Limited

Meenakshi Ramandasani
Digitally signed by Meenakshi Ramandasani
Date: 2024.11.30 18:45:19 +05'30'

Meenakshi Ramandasani
Company Secretary
M. No. A47336

# 2020 – 2021

## (Under Corporate Insolvency Resolution Process)

# 34TH ANNUAL REPORT

MELSTARR

# 34TH ANNUAL GENERAL MEETING
# OF
# MELSTAR INFORMATION TECHNOLOGIES LIMITED


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## NOTICE OF 34th ANNUAL GENERAL MEETING

Notice is hereby given that the **34th Annual General Meeting (AGM)** of the members of **Melstar Information Technologies Limited** will be held on Monday, December 23, 2024 at 11.00 a.m **through - Video Conferencing (VC) or other Audio Visual Means (OVAM)** to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended **March 31, 2021** and the Reports of the Board of Directors and the Auditors thereon, and in this regard, pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** the Audited Financial Statement of the Company for the Financial year ended **March 31, 2021** and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**Registered Office**:
Unit No. 1302, 13th floor, "Raheja Centre",
The Free Press Journal Marg, Nariman Point,
Mumbai – 400 021

Place: Mumbai
Date: November 14, 2024

**By the Order of the Board**
For **Melstar Information Technologies Limited**

**Sd/-**
**Meenakshi Ramandasani**
Company Secretary
Membership No. A47336

**Notes:**

1. The Company was under Corporate Insolvency Resolution Process ("CIRP") with effect from October 3, 2019 under the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC") by an Order passed by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT") and Mr. Neehal Mahamulal Pathan was appointed as an IRP and thereafter RP (Resolution Professional). The NCLT vide its order dated November 1, 2023 has approved the Resolution Plan submitted by M/s. Shivasons Solutions India Private Limited under Section 31 of the IBC, which has been implemented in phase wise manner and subsequent orders were passed by NCLT on June 25, 2024 and August 09, 2024 on Resolution Plan.

   **The Resolution Professional did not comply with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the CIRP period and also not hold Annual General Meeting for Financial Year 2020-21. In view above, Company is now holding Annual General Meeting on December 23, 2024 for FY 2020-21.**

2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 2/2022 dated May 05, 2022 read with General Circular Nos. 21/2024 dated December 14, 2024, 02/2024 dated January 13, 2024, 0/2020 dated May 05, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 08, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the 34th Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards -1 and 2 dated April 15, 2020, issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

4. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by a Member is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

5. However, Institutional/Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Members are requested to send a certified true copy of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the Scrutiniser at prakash@sapandassociates.in with a copy marked to cs@melstarrtech.com;

6. Annual Report and AGM Notice is available at the website of the Company at www.metstarrtech.com in the Investor section.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, December 17, 2024 to Monday, December 23, 2024 (both days inclusive).

8. Members desirous of making nomination as permitted under Section 72 of the Companies Act,

2013 in respect of the physical shares held by them in the Company, can make nominations in Form SH-13, which can be procured from the Registrar and Share Transfer Agent M/s Bigshare Services Private Limited (RTA). The Members holding shares in demat form may contact their respective depository participants for such nominations.

9. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Private Limited (RTA), for consolidation into a single folio.

10. The Board of Directors of the Company has appointed Mr. Prakash Shenoy (Membership No. F12625), Partner, M/s. SAP & Associates, Company Secretaries failing which Mrs. Sapna Chourasia (Membership No. F12597), Partner, M/s. SAP & Associates, Company Secretaries, as the Scrutinizer for conducting the voting process through electronic means in a fair and transparent manner.

11. The final remote e-voting results of the AGM of the Company shall be declared within 48 hours from the conclusion of the Annual General Meeting. The final results along with the scrutinizers report shall be placed on the Company's website www.metstarrtech.com immediately after the result is declared by the Chairman.

12. In terms of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, the Company is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on the Cut- Off Date, being Monday December 16, 2024, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice (the "Remote e-voting"). The remote e-voting commences on Friday, December 20, 2024 at 09.00 a.m. and ends on sunday, the December 22, 2024 at 5:00 p.m. Detail of the process and manner of Remote e-voting along with the User ID and Password is being sent to all the Members along with the Notice.

13. In accordance with the provisions of the Act, read with the Rules made thereunder, MCA Circulars and SEBI Circulars, the Notice of the Annual General Meeting along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories and whose names appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on Friday, November 22, 2024.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

i. The voting period begins on Friday, December 20, 2024 at 9:00 A.M. (IST) and ends on Sunday, December 22, 2024 at 5:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, December 16, 2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iv. In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

1. Pursuant to above said SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

| **Type of shareholders** | **Login Method** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login |

| | |
|---|---|
| | icon & New System Myeasi Tab and then use your existing my easi username & password.<br><br>▪ After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of **BIGSHARE** the e-Voting service provider and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. **BIGSHARE**, so that the user can visit the e-Voting service providers' website directly. For joining the meeting click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option, Select event for which you are desire to attend the AGM under the dropdown option, click on the option **VOTE NOW** on right hand side top corner, you need to click on "VC/OAVM" link placed beside of "**VIDEO CONFERENCE LINK"** option.<br><br>2) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration<br><br>3) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-voting period. |
| Individual Shareholders holding securities in demat mode with **NSDL** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able |

| | |
|---|---|
| | to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be re-directed to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br><br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br><br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be redirected to **i-Vote** website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

2. **Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**LOGIN**" button under the '**INVESTOR LOGIN**' section to Login on E-Voting Platform.
- Please enter you '**USER ID'** (User id description is given below) and '**PASSWORD'** which is shared separately on you register email id.
  - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
  - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
  - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

  ***Note** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).*
- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

  **NOTE**: If Shareholders are holding shares in demat form and have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on '**LOGIN**' under '**INVESTOR LOGIN**' tab and then Click on '**Forgot your password**?
- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**Reset**'.
  *(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).*

**Voting method for shareholders on i-Vote E-voting portal:**

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on **"VOTE NOW"** option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

3. **Custodian registration process for i-Vote E-Voting Website:**

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com
- Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with **"User id and password will be sent via email on your registered email id"**.

  **NOTE**: If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password**?
- Enter "**User ID"** and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**.

  *(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).*

**Voting method for Custodian on i-Vote E-voting portal:**

- After successful login, **Bigshare E-voting system** page will appear.

**Investor Mapping:**

- First you need to map the investor with your user ID under "**DOCUMENTS**" option on custodian portal.
  - Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
  - Click on upload document "**CHOOSE FILE**" and upload power of attorney (POA) or board resolution for respective investor and click on "**UPLOAD**".

    **Note**: The power of attorney (POA) or board resolution has to be named as the

"**InvestorID.pdf**" (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

**Investor vote File Upload:**

- To cast your vote select "**VOTE FILE UPLOAD**" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "**UPLOAD**". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on custodian portal.

**Helpdesk for queries regarding e-voting:**

| Login type | Helpdesk details |
|---|---|
| Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode. | In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22. |

4. **Procedure for joining the AGM through VC/ OAVM:**

**For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- The Members may attend the AGM through VC/ OAVM at https://ivote.bigshareonline.com under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to attend the AGM under the dropdown option.
- For joining virtual meeting click on the option **VOTE NOW** on right hand side top corner.
- For joining virtual meeting, you need to click on "VC/OAVM" link placed beside of "**VIDEO CONFERENCE LINK"** option.
- Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**The instructions for Members for e-voting on the day of the AGM are as under:-**

- The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

- Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are

otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**Helpdesk for queries regarding virtual meeting:**

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at https://ivote.bigshareonline.com, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

## DIRECTORS' REPORT

Dear Members,

The Company was under Corporate Insolvency Resolution Process ("CIRP") with effect from October 3, 2019 under the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC") by an Order passed by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT") and Mr. Neehal Mahamulal Pathan was appointed as an IRP and thereafter RP (Resolution Professional). The NCLT vide its order dated November 1, 2023 has approved the Resolution Plan submitted by M/s. Shivasons Solutions India Private Limited under Section 31 of the IBC, which has been implemented in phase wise manner and subsequent orders were passed by NCLT on June 25, 2024 and August 09, 2024 on Resolution Plan.

The powers of the Board of Directors of the Company and its Committees remained suspended from the initiation of CIRP till Board of the Company has been re-constituted i.e. July 3, 2024.

As per the approved Resolution Plan, a Monitoring Committee constituted for the implementation of the Resolution Plan till the reconstitution of Board of Director and all the decisions which could otherwise have been taken by the Company's Board of Directors, were taken by the Monitoring Committee. Pursuant to implementation of Resolution Plan, erstwhile board of directors of the Company were replaced with the new board of directors with effect from July 3, 2024.

**The Resolution Professional has not complied with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the CIRP period.**

The current Board of Directors presenting this Annual report based on the status of the Company in the Financial Year 2020-21 without assuming any liability whatsoever which may arise due to noncompliance done by RP during the CIRP.

The Board of Directors hereby submit the report of the business and operation of your Company (" Company" or "MELSTAR INFORMATION TECHNOLOGIES LIMITED") along with the Audited financial Statements, for the financial year ended March 31, 2021.

### 1. FINANCIAL RESULTS:

(in Lakhs)

| PARTICULAR | 2020-21 | 2019-20 |
|---|---|---|
| Net Sales/ Income from Operations | 117.33 | 1,113.35 |
| Other Operating Income | 9.79 | 8.05 |
| Operating Profit / (Loss) before Interest and Depreciation (PBIDTA) | (178.19) | (436.94) |
| Finance Cost | 0.00 | 27.61 |
| Depreciation | 0.00 | 0.55 |
| Operating Profit / (Loss) before Tax | (178.19) | (465.10) |
| Net Profit / (Loss) before tax and Exceptional Items | (178.19) | (465.10) |
| Exceptional Items | - | - |
| Net (Loss) before tax and after Exceptional Items | (178.19) | (465.10) |
| Provision for Taxation | 0.00 | (0.06) |
| Net (Loss) after Tax | (178.19) | (465.04) |

| | | |
|---|---|---|
| Face Value of Equity Shares (in Rupees) | 10.00 | 10.00 |
| EPS - Basic and Diluted (Before Exceptional Item) (in Rupees) | (1.25) | (3.26) |
| EPS - Basic and Diluted (After Exceptional Item) (in Rupees) | (1.25) | (3.26) |

**2. OPERATIONS:**

The total sales of the Company for the financial year ended on 31st March, 2021 were Rs 117.33 Lakhs as against Rs. 1,113.35 Lakhs during the last financial year ended on 31st March, 2020. Similarly the net Loss before tax during the year were Rs. 178.19 Lakhs as against Rs. 465.16 Lakhs Loss in the previous year.

**3. DIVIDEND:**

No Dividend is declared for the financial year ended 31st March 2021 due to the financial position of the Company.

**4. TRANSFER TO RESERVE**

No Transfer has been made to General Reserve as the Company has suffered losses.

**5. SUBSIDIARY(S)**

The Company doesn't have any subsidiary as on 31st March 2021.

**6. BUSINESS DESCRIPTION**

Our Strategic objective is to build sustainable organization that remains relevant to the agenda of our Clients, while creating growth Opportunities for our employees and generating profitable growth for our Investors.

A petition filed by M/s Nityo Infotech Services Private Limited u/s 9 of the IBC, 2016 was admitted on 1 st October, 2019 except that there was no such major change in the nature of business during the year under the review. The Adjudicating Authority, the National Company Law Tribunal (NCLT), Mumbai, has also appointed Mr. Neehal Mahamulal Pathan, a registered insolvency resolution professional having Registration Number [IBBI/IPA-001/IP-P01561/2019-20/12406] and the same was confirmed by the Committee of Creditors (CoC).

**7. EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

As mentioned above, the Company was under insolvency, there was no any other significant event occurred.

**8. CHANGE IN THE NATURE OF BUSINESS IF ANY: No change.**

**9. SHARE CAPITAL**: The paid up equity capital as on March 31, 2021, was Rs 14,28,31,390 . During the year under review your Company has not issued any shares to public, rights, preferential including and/or convertible debentures.

**10. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Policy are given in the Corporate Governance Report and the Policy is posted on the Company's website.

**11. CORPORATE GOVERNANCE:**

The Company adheres to corporate culture of integrity and consciousness. Corporate

Governance is a journey for constantly improving sustainable value creation. As required under the provision of Regulation 34 read with Schedule V of the SEBI Listing Regulations, a separate report on Corporate Governance forms part of this Annual Report, together with a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance.

**12. ANNUAL RETURN:**

The Annual Return of the Company as on March 31, 2021 in Form MGT – 7 in accordance with Section 92(3) and Section 134(3)(a) of the Act as amended from time to time and the Companies (Management and Administration) Rules, 2014, will be made available on the website of the at www.metstarrtech.com.

**13. NUMBER OF BOARD MEETING:**

The Board of Directors met three times in the year as on 09.12.2020, 29.12.2020 and 30.12.2020, the details of which are provided in the Corporate Governance Report.

There were four Committee of Creditors (CoC) meeting were held on 16th October, 2020, 10th November, 2020, 13th January 2021 and 15th January ,2021 pursuant to the directions issued by the Adjudicating Authority, NCLT, Mumbai Bench.

**14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**15. MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provision of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Management's discussion and analysis is set out in this Annual Report.

**16. RELATED PARTY TRANSACTIONS**

The Company has entered into related party transactions in the ordinary course of business during the year under review which was approved by Committee of Creditors (CoC). However, there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Audit Committee and Board is uploaded on the Company's website at the link http://www.melstarrtech.com/policies.html.

**17. RISK MANAGEMENT REPORT**

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a proper defined framework.

**18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

Significant orders impacting the company include the NCLT order dated October 1, 2019 initiating CIRP under the Insolvency and Bankruptcy Code (IBC). This suspended typical governance functions, transferring oversight to the Resolution Professional under the guidance of the Committee of Creditors. Future operations were contingent on the approval and implementation of a Resolution Plan."

## 19. INTERNAL CONTROL SYSTEM

Your Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conducts Audit of various departments to ensure that internal controls are in place and submits for each quarter reports to the Audit Committee. The Audit Committee regularly reviews these Reports and when needed takes corrective actions.

## 20. HUMAN RESOURCES

At Melstar, human resource is treated as an important asset and believe in its Contribution in overall growth of the Company. Here, we focus on the workplace of tomorrow that promotes a collaborative, transparent and participative organization culture, encourages innovation and rewards individual Contribution.

## 21. PARTICULARS OF JOINT VENTURES OR ASSOCIATE COMPANY:

The Company does not have any Joint Venture with any person or an associate Company as defined under **Section 2(6)** of the Companies Act, 2013 ('the Act').

## 22. FIXED DEPOSITS:

During the year under review, your Company has not accepted any fixed Deposits and there were no unclaimed deposits or interest thereon as on 31st March, 2021.

## 23. COMMITTEES OF THE BOARD

As on 31st March, 2021 the Board has three Committee: "Audit Committee", " Nomination and Remuneration Committee" and " Stakeholders Relationship Committee". The details of which are provided in the Corporate Governance Report. But, due to IBC Order, authority of the Board and its members suspended and vested to RP.

## 24. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the Orderly and efficient conduct of its business, including adherence to the Company's policies, Safeguarding of its assets, prevention and deduction of Fraud, error reporting mechanisms, accuracy and completeness of the Accounting records, and timely preparation of reliable financial disclosures.

## 25. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The Independent Director shall be of high integrity with relevant expertise and experience with Director having expertise in the fields of manufacturing, marketing, finance, law, governance and general management, so as to have a diverse Board.

## 26. REMUNERATION POLICY

The Company follows a policy on remuneration of Directors, Senior Management and Employees, details of which are given in the Corporate Governance Report.

## 27. SECRETARIAL STANDARDS

The Company complies with all the applicable Mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## 28. LISTING ON STOCK EXCHANGES:

The Company's shares are listed on **BSE Limited** and **National Stock Exchange of India Limited.**

## 29. DIRECTORS' RESPONSIBILITY STATEMENT:

As stipulated under **Section 134(3)(c) & (5)** of the Companies Act, 2013, your Directors unable confirm as under:-

i) that in the preparation of the accounts for the financial year ended **31st March 2021**, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;

iii) The Resolution Professional has taken proper and sufficient care for maintenance of adequate accounting records to safeguard the company's assets and prevent fraud, in line with the CIRP requirements;

iv) that the Directors have prepared the accounts for the financial year on going concern basis.

v) the Directors have laid down internal financial controls, which are adequate and were operating effectively.

vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Current Board of Directors unable to make directors responsibility statement due to non-availability of records made available by Resolution Professional.

## 30. ANNUAL EVALUATION:

Under CIRP, no formal performance evaluations of the Board or Committees were conducted, as governance functions were transferred to the Resolution Professional. In normal circumstances, evaluations are conducted in compliance with Section 134(3)(p) of the Companies Act, 2013.

## 31. PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014 are provided as per ANNEXURE -II.

## 32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is given in ANNEXURE–I to this report.

## 33. AUDITORS:

### i) STATUTORY AUDITORS:

In view of the provision of Section 139, 142 and other applicable provisions if any, of the Companies Act 2013 or any amendment thereof or modification thereof, M/s Sarda & Pareek (FRN 109262W) was appointed as Statutory Auditor for the period of three financial year from 01/04/2018 to 31/03/2021 in the 31st Annual General Meeting held on 27th September 2018.M/s Sarda & Pareek (FRN 109262W) resigned for the FY 2020-21 on July 18, 2024.

The Board of Directors has recommended the appointment of M/s C K S P And Co LLP, Chartered Accountant (Firm Registration No131228W/W100044) as the Statutory Auditors of the Company to fill the casual vacancy caused due to resignation of M/s Sarda & Pareek which was approved by shareholders through postal ballot result of which was announced on October 1, 2024 and M/s C K S P And Co LLP, Chartered Accountant hold office from the conclusion of this Annual General Meeting to the Conclusion of 37th Annual General Meeting.

The Company has received an eligibility certificate cum consent letter from M/s C K S P And Co LLP , Chartered Accountant to the effect that the appointment, if made, would be in accordance with limits specified under section 141 of the Companies Act, 2013. And as required under SEBI Regulations, they have confirmed that they hold valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditor's Report for the FY 2020-21 contain following qualifications and management reply for the same as follows:

| Matter | Auditor's Qualifications | Management Reply |
|---|---|---|
| Details of Qualification | 1) Audit With reference to Note No 27 (l) regarding the balance of Trade Payables, Trade Receivables, Loans, Advances, current liabilities, borrowing from others etc. being not confirmed by the parties due to pending reconciliation the management has not sent direct confirmations to parties and hence our inability to state whether these balances are recoverable /payable to the extent stated.<br>2) The company has accumulated losses exceeding the share capital and reserves and its net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the | The current management after taking into consideration NCLT order dated 01/11/2023 with regard to the confirmation of Trade Payables, Trade Receivables, Loans and Advances, Current Liabilities, Borrowings from others etc. we are unable to provide, since the company was under NCLT process and Resolution Professional Mr. Neehal Mahamulal Pathan neither handed |

| | | |
|---|---|---|
| | company's ability to continue as a going concern. However, the standalone financial results of the Company have been prepared on a going concern basis because of the reasons stated in the Note No. 27 (j) to the standalone financial results. | over any confirmation he received in past years, nor he provided details / information of Trade Payables, Trade Receivables, Loans and Advances, Current Liabilities, Borrowings from others. The current management will try to ensure their realisability for the same and if it is not payable/recoverable then the required provisions will be made in current financial year. |

**ii) SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. S.Talwar & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2020-21. The Secretarial Audit Report is appended as Annexure III to this Report. The Secretarial Auditor's Report contains following observations and management reply for the same as follows:

| Sr. No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary | Management Reply |
|---|---|---|---|---|
| 1. | Regulation 31 of SEBI (LODR) Regulations, 2015 | Late Submission / Non-submission | The Company has delayed submission of the quarterly Shareholding pattern for the quarter ended 30 June 2020, 30 September 2020 and 31 December 2020. The Company has not yet submitted the quarterly Shareholding pattern for the quarter ended 31 March 2021. | The Company was under Corporate Insolvency Resolution Process ("CIRP") with effect from October 3, 2019 till July 3, 2024.<br><br>The Resolution Professional has not complied |
| 2. | Regulation 55/76 – RSCA of SEBI DP | Non-submission | The Company has not submitted the quarterly reconciliation of share capital audit report for any of the quarters of the financial year 2020-21. | |
| 3. | Submission of Annual report for financial year 2020-21 in XBRL format | Late submission | The Company has not submitted annual report for financial year | |

| | | | | |
|---|---|---|---|---|
| | | | 2019-20 in XBRL format. | with provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the CIRP time. The current Board of Directors are presenting this Annual Report based on the status of the Company in the Financial Year 2020-21 without assuming any liability whatsoever which may arise due to noncompliance during the CIRP. The Company is seeking waiver from imposition of any penalty / fine on the current Board of Directors / Company due to non compliance done by the RP. |
| 4. | Regulation 27 of SEBI (LODR) Regulations, 2015 | Late submission/ Non submission | The company has delayed submission of the quarterly corporate governance report for the quarter ended 30 June 2020, 30 September 2020 and 31 December 2020. The Company has yet not submitted quarterly corporate governance report for the quarter ended 31 March 2021. | |
| 5. | Regulation 40(9) of SEBI (LODR) Regulations, 2015 | Non submission | The Company has not submitted PCS certificate for transfer/transmission for the financial year 2020-21 | |
| 6. | Regulation 46(2) of SEBI (LODR) Regulations, 2015 | Non updation | The new management has come into place in July 2024 and posts that the company is in process of completing the updation of website as per the Regulation 46(2) of SEBI (LODR) Regulations, 2015 | |
| 7. | Regulation 33 of SEBI (LODR) Regulations, 2015 | Late submission | The company has delayed submission of quarterly Financial Results along with limited review report for the quarter ended 30 June 2020, 30 September 2020 and financial statement along with Auditor's Report for the quarter and year ended 31 March 2021. | |
| 8. | Regulation 24(A) of SEBI (LODR) Regulations, 2015 | Non-submission | The Company has not yet submitted the Secretarial Compliance Report for the year ended 31.03.2021. | |
| 9. | Regulation 13(3) of SEBI (LODR) Regulations, 2015 | Late submission/ Non submission | The Company has delayed submission of Statement on Investor Grievance for the quarter ended 30 June 2020, 30 September 2020 and has not yet submitted statement for the quarter ended 31st March 2021. | |
| 10. | Regulation 30 of SEBI (LODR) Regulations, 2015 | - | Upon our verification we could not find documents related to appointment of Company Secretary and Compliance Officer during the financial year 2020-21. | |
| 11. | Regulation 14 of SEBI (Listing Obligations and Disclosure | Non-payment | During the year the company's was under the resolution process, during which the | |

| | | | | |
|---|---|---|---|---|
| | Requirements) Regulations, 2015 | | resolution professional(RP), managed the company's affair and has not paid the annual listing fee to BSE and NSE including custody fee to CDSL /NSDL for the financial year. | |
| 12. | Regulation 29 of SEBI (LODR) Regulations, 2015 & Section 173 & 174 of the Companies Act, 2013 | Late submission | The Company has delayed giving prior intimation of holding the Board Meeting dated 08th December 2020, 08th December 2020, 29th December 2020 and 30th December 2020. | |
| | | - | As per section 173, the maximum of 120 days between two consecutive meetings dated 13th February 2020 and 08th December 2020 was not complied with. Further, we could not find any notices of meetings or minutes regarding the above meeting, but the outcome was submitted to BSE/NSE. | |
| 13. | Regulation 30 of SEBI (LODR) Regulations, 2015 and Section 96 of the Companies Act, 2013 | Non-submission | The Company has conducted AGM on 31st December 2020; but the company has yet not submitted the outcome of AGM. | |
| 14. | Regulation 17, 18 and 19 of SEBI (LODR) Regulations, 2015 & Section 177 and 178 of the Companies Act, 2013 | - | As the company was under CIRP under the Insolvency and Bankruptcy Code (IBC) the said regulation is not applicable. | |
| 15. | RoC filing as per section 92(4) and section 137 of the Companies Act 2013 | Non-submission | The Company has not filed e-Form MGT-7 & AOC-4 respectively for AGM held on 31st December 2020. | |
| 16. | Section 149 of Companies Act 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015 | - | There was no proper document available for understanding the composition of board of directors for the financial year 2020-21. | |
| 17. | Section 203 of Companies Act 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 | Non-submission | Upon our verification we could not find form DIR -12 filed with MCA for appointment of Company Secretary.<br><br>The new management has come into place from July 2024 and they further appointed of | |

| | | | | |
|---|---|---|---|---|
| | | | Ms Meenakshi Ramandasani as Company Secretary & Compliance Officer of the company w.e.f. July 03, 2024 | |
| 18. | Section 164 & Section 184 of the Companies Act, 2013 | - | The Company has not submitted to us any document for our verification for the financial year 2020-21.<br><br>None of the Directors were disqualified as per MCA records. | |
| 19. | Maintenance of Board, Committees & General Meeting minutes as per Section 118 of the Companies Act, 2013 and applicable Secretarial Standards (SS-1 & SS-2) | - | The Company has only submitted minutes regarding the committee of creditors meeting for this financial year 2020-21 for our verification. | |
| 20. | Filing of e-Form DIR-12 for change/appointment of Directors and/or Key Managerial Personnel (KMPs) | - | We did not receive relevant forms for verification for the financial year 2020-21. | |
| 21. | Filing of ADT-3 for cessation of Statutory Auditor | Non-submission | Upon our verification we could not find Form ADT-3 for the resignation of M/s. Sarda & Pareek as the Statutory Auditor. | |
| 22. | Filing of ADT-1 for appointment of Statutory Auditor | Non-submission | Upon our verification Form ADT-1 for appointment of M/s CKSP and Co LLP as the Statutory Auditor was submitted to Ministry of Corporate Affairs on 21/10/2024.<br><br>The new management came into place from July 2024 onward and post that they appointed C K S P AND CO LLP as statutory auditor for the financial year 2020-21 till 2023-2024. | |
| 23. | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 | - | There is no document available/given to us by the company to verify this regulation. | |

**iii) COST AUDITORS:** Cost Audit is not applicable to the Company.

**34. PURCHASE OF SHARES OF THE COMPANY:**

The Company has not given any loan, guarantee or security, or any financial assistance to the employees of the Company for the purpose of purchase or subscription for any shares of the Company or its holding Company pursuant to Section 67(2) of the Companies Act, 2013

**35. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The provisions of **Section 135** of the Companies Act, 2013 are not applicable to the Company.

**36. ISSUE OF SHARES WITH DIFFERENTIAL VOTING RIGHTS:**

The Company has not issued any shares with differential Voting Rights pursuant to the provisions of **Rule 4** of the Companies (Share Capital and Debenture) Rules, 2014.

**37. ISSUE OF SWEAT EQUITY SHARES:**

During the year under review, the Company has not issued any sweat equity shares to any of its employees, pursuant to the provisions of **Rule 8** of the Companies (Share Capital and Debenture) Rules, 2014.

**38. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The Board has duly approved and adopted a policy viz. "Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees" recommended by the Nomination and Remuneration Committee relating to appointment of Directors/ Key Managerial Personnel/ other employees, payment of remuneration to directors/ Key Managerial Personnel/ other employees, Directors qualifications, positive attributes, Independence of Directors and other related matters as provided under the Companies Act, 2013. All the remunerations to the directors/ Key Managerial Personnel/ employees are as per the Companies Policy viz. "Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees"

**39. EMPLOYEE STOCK OPTION:**

The Company does not have any Employee Stock Option Scheme for its employees.

**40. COVID-19 Impact**

The outbreak Coronavirus (COVID-19) pandemic globally and in India is causing significant economic disturbance and slowdown of economic activities. Businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including the countrywide lockdown imposed by the Government of India, travel bans, quarantines, social distancing, and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting into adverse impact on the operations of the Company. Your Company's performance for the March,31, 2021 was affected as the quarter end activities relating to sales and revenues could not be accomplished.

## 41. ACKNOWLEDGEMENT

We thank our Customer, investors, Government and Semi Government Authorities, Shareholders, Bankers and Financial Institutions and for their continued co-operation and support. The Director also expresses their warm appreciation for the dedicated and sincere services rendered by the Employees of the Company.

**For Melstar Information Technologies Limited**

**Place: Mumbai**
**Date: November 14, 2024**

**Sd/-**
**Alyazaa Marchant**
**Director**
**DIN: 07164228**

**Sd/-**
**Vineet Goverdhan Shah**
**Managing Director & CFO**
**DIN: 01761772**

**ANNEXURE-I**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

**A. Conservation of Energy**

Due to limited operations under CIRP, the company's energy usage and technology activities remained minimal. Where feasible, energy conservation efforts were maintained, and there were no foreign exchange earnings or outflows during the year

**B. Disclosure of particulars with respect to absorption of Technology, Research and Development (R&D).**

No technology has been imported. Indigenous Technology available has been used for product development/component identifications or offering services and is continuously being upgraded to improve overall performance.

**C. Foreign Exchange earnings & outgo**

The share of the revenues from exports constituted 0% (0% for the previous year) of total revenues of the Company.

(₹ in lakhs)

| | 2020-21 | 2019-20 |
|---|---|---|
| Total Foreign Exchange earnings | 0 | 0 |
| Total Foreign Exchange outgo | 0 | 0 |

**ANNEXURE- II**

**Information pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

**1. Ratio of Remuneration of each Director to the median remuneration of employees for the financial year ended 31st March, 2021.**

(`₹ in Lakh)

| Name | Designation | Ratio | Remuneration | Median Remuneration |
|---|---|---|---|---|
| Mr. Anant Satish Pathak (DIN: 05338978) | Director | 0 | 0 | 0 |
| Mr Sirish Kumar Sahoo (DIN: 08052666) | Director | 0 | 0 | 0 |
| Mr. Pramod shivaji bhosale (DIN: 08669615) | Director | 0 | 0 | 0 |
| Ms. Shireen Mohd Haneef Khan (DIN: 08669626) | Director | 0 | 0 | 0 |

(*) Melstar Information Technologies Limited paid only sitting fees to the non -executive Directors.

**2. % Increase of remuneration of each Director, CFO, CEO, CS in the Financial Year.**

| Directors | % Increase |
|---|---|
| Mr. Anant Satish Pathak | - |
| Mr Sirish Kumar Sahoo | - |
| Mr. Pramod Shivaji Bhosale | - |
| Ms. Shireen Mohd Haneef Khan | - |

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**For the Financial Year ended 31st March 2021**
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
***Melstar Information Technologies Limited***
Unit No. 1302, 13th Floor, Raheja Centre,
The Free Press Journal Marg, Nariman Point,
Mumbai, Maharashtra, India, 400021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ***Melstar Information Technologies Limited (CIN: L99999MH1986PLC040604)*** *(hereinafter called the "Company")*. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Opinion**

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.

(iii) The Depositories Act, 2018 and the Regulations and Byelaws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable during the Audit Period

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - *(not applicable since there is no action/ event in pursuance of said regulation)*

d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - *(not applicable since there is no action/ event in pursuance of said regulation)*

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - *(not applicable since there is no action/ event in pursuance of said regulation)*

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - *(not applicable since there is no action/ event in pursuance of said regulation)*

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - *(not applicable since there is no action/ event in pursuance of said regulation)*

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned **except**:

| **Sr. No.** | **Compliance Requirement (Regulations/ circulars / guidelines including specific clause)** | **Deviations** | **Observations/ Remarks of the Practicing Company Secretary** |
|---|---|---|---|
| 1. | Regulation 31 of SEBI (LODR) Regulations, 2015 | Late Submission / Non-submission | The Company has delayed submission of the quarterly Shareholding pattern for the quarter ended 30 June 2020, 30 September 2020 and 31 December 2020. The Company has not yet submitted the quarterly Shareholding pattern for the quarter ended 31 March 2021. |
| 2. | Regulation 55/76 – RSCA of | Non-submission | The Company has not submitted |

| | | | |
|---|---|---|---|
| | SEBI DP | | the quarterly reconciliation of share capital audit report for any of the quarters of the financial year 2020-21. |
| 3. | Submission of Annual report for financial year 2020-21 in XBRL format | Late submission | The Company has not submitted annual report for financial year 2019-20 in XBRL format. |
| 4. | Regulation 27 of SEBI (LODR) Regulations, 2015 | Late submission/ Non submission | The company has delayed submission of the quarterly corporate governance report for the quarter ended 30 June 2020, 30 September 2020 and 31 December 2020. The Company has yet not submitted quarterly corporate governance report for the quarter ended 31 March 2021. |
| 5. | Regulation 40(9) of SEBI (LODR) Regulations, 2015 | Non submission | The Company has not submitted PCS certificate for transfer/transmission for the financial year 2020-21 |
| 6. | Regulation 46(2) of SEBI (LODR) Regulations, 2015 | Non updation | The new management has come into place in July 2024 and posts that the company is in process of completing the updation of website as per the Regulation 46(2) of SEBI (LODR) Regulations, 2015 |
| 7. | Regulation 33 of SEBI (LODR) Regulations, 2015 | Late submission | The company has delayed submission of quarterly Financial Results along with limited review report for the quarter ended 30 June 2020, 30 September 2020 and financial statement along with Auditor's Report for the quarter and year ended 31 March 2021. |
| 8. | Regulation 24(A) of SEBI (LODR) Regulations, 2015 | Non-submission | The Company has not yet submitted the Secretarial Compliance Report for the year ended 31.03.2021. |
| 9. | Regulation 13(3) of SEBI (LODR) Regulations, 2015 | Late submission/ Non submission | The Company has delayed submission of Statement on Investor Grievance for the quarter ended 30 June 2020, 30 September 2020 and has not yet submitted statement for the quarter ended 31st March 2021. |
| 10. | Regulation 30 of SEBI (LODR) Regulations, 2015 | - | Upon our verification we could not find documents related to appointment of Company Secretary and Compliance Officer during the financial year 2020-21. |
| 11. | Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, | Non-payment | During the year the company's was under the resolution process, during which the resolution |

| | | | |
|---|---|---|---|
| | 2015 | | professional (RP), managed the company's affair and has not paid the annual listing fee to BSE and NSE including custody fee to CDSL /NSDL for the financial year. |
| 12. | Regulation 29 of SEBI (LODR) Regulations, 2015 & Section 173 & 174 of the Companies Act, 2013 | Late submission | The Company has delayed giving prior intimation of holding the Board Meeting dated 08th December 2020, 08th December 2020, 29th December 2020 and 30th December 2020. |
| | | - | As per section 173, the maximum of 120 days between two consecutive meetings dated 13th February 2020 and 08th December 2020 was not complied with. Further, we could not find any notices of meetings or minutes regarding the above meeting, but the outcome was submitted to BSE/NSE. |
| 13. | Regulation 30 of SEBI (LODR) Regulations, 2015 and Section 96 of the Companies Act, 2013 | Non- submission | The Company has conducted AGM on 31st December 2020; but the company has yet not submitted the outcome of AGM. |
| 14. | Regulation 17, 18 and 19 of SEBI (LODR) Regulations, 2015 & Section 177 and 178 of the Companies Act, 2013 | - | As the company was under CIRP under the Insolvency and Bankruptcy Code (IBC) the said regulation is not applicable. |
| 15. | RoC filing as per section 92(4) and section 137 of the Companies Act 2013 | Non- submission | The Company has not filed e-Form MGT-7 & AOC-4 respectively for AGM held on 31st December 2020. |
| 16. | Section 149 of Companies Act 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015 | - | There was no proper document available for understanding the composition of board of directors for the financial year 2020-21. |
| 17. | Section 203 of Companies Act 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 | Non- submission | Upon our verification we could not find form DIR -12 filed with MCA for appointment of Company Secretary.<br><br>The new management has come into place from July 2024 and they further appointed of Ms Meenakshi Ramandasani as Company Secretary & Compliance Officer of the company w.e.f. July 03, 2024 |
| 18. | Section 164 & Section 184 of the Companies Act, 2013 | - | The Company has not submitted to us any document for our verification for the financial year 2020-21. |

| | | | |
|---|---|---|---|
| | | | None of the Directors were disqualified as per MCA records. |
| 19. | Maintenance of Board, Committees & General Meeting minutes as per Section 118 of the Companies Act, 2013 and applicable Secretarial Standards (SS-1 & SS-2) | - | The Company has only submitted minutes regarding the committee of creditors meeting for this financial year 2020-21 for our verification. |
| 20. | Filing of e-Form DIR-12 for change/appointment of Directors and/or Key Managerial Personnel (KMPs) | - | We did not receive relevant forms for verification for the financial year 2020-21. |
| 21. | Filing of ADT-3 for cessation of Statutory Auditor | Non-submission | Upon our verification we could not find Form ADT-3 for the resignation of M/s. Sarda & Pareek as the Statutory Auditor. |
| 22. | Filing of ADT-1 for appointment of Statutory Auditor | Non-submission | Upon our verification Form ADT-1 for appointment of M/s CKSP and Co LLP as the Statutory Auditor was submitted to Ministry of Corporate Affairs on 21/10/2024.<br><br>The new management came into place from July 2024 onward and post that they appointed C K S P AND CO LLP as statutory auditor for the financial year 2020-21 till 2023-2024. |
| 23. | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 | - | There is no document available/given to us by the company to verify this regulation. |

*The Statutory auditor has reported in his independent audit report to Note No 27 l regarding the balance of Trade Payables, Trade Receivables, Loans, Advances, current liabilities, borrowing from others etc. being not confirmed by the parties due to pending reconciliation the management has not sent direct confirmations to parties and hence our inability to state whether these balances are recoverable /payable to the extent stated.*

*The company has accumulated losses exceeding the share capital and reserves and its net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the standalone financial results of the Company have been prepared on a going concern basis because of the reasons stated in Note No. 27 j to the standalone financial results.*

*Further the statutory auditor has emphasized on the matter to Note No. 27 i regarding an application for initiation of corporate insolvency resolution process of Melstar Information*

*Technologies Limited 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).*

**We further report that:**

As the Company was under CIRP we could not confirm following below points: -

1. That the Board of Directors of the Company has been duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Post July 2024 the new management complied with Regulation 17 and constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

3. As informed by the management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

4. As informed by the management, Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period none of the following events have taken place.

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
(ii) Redemption / buy-back of securities
(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
(iv) Merger / amalgamation / reconstruction, etc.
(v) Foreign technical collaborations

**Disclaimer: We have not received the required information and documents for preparation of Secretarial Audit Report for the F. Y. 2020-21.**

**We have prepared our report based on inspection of MCA website, Stock Exchange and Audit Report for the financial year 2020-21**.

For **S. Talwar & Associates**
*Company Secretaries*

Sd/-

**Mr. Saurabh Talwar**
ACS: 36045
CP: 13338
PR: 2836/2022
UDIN:

Place: New Delhi
Date: 30.09.2024

This report is to be read with Annexure A, which forms an integral part of this report.

**Annexure - A**

To,
The Members
***Melstar Information Technologies Limited***
Unit No. 1302, 13th Floor, Raheja Centre,
The Free Press Journal Marg, Nariman Point,
Mumbai, Maharashtra, India, 400021

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. Talwar & Associates**
*Company Secretaries*

Sd/-

**Mr. Saurabh Talwar**
ACS: 36045
CP: 13338
PR: 2836/2022

Place: New Delhi
Date: 30.09.2024

## Management Discussion and Analysis Report

### Introduction

Global growth is projected to be in line with the April 2021 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2022. Services inflation is holding up progress on disinflation, which is complicating monetary policy normalization.

### Market Size

The opportunities, as indicated by industry analysts, are significant:

IT Infrastructure is set to grow to $3.4 trillion in 2020, with data center systems, IT services and communications services expected to grow by 1.5%, 5.5% and 2.1% respectively (Gartner) • Cybersecurity is predicted to grow from ~ $120 billion in 2019 to ~ $165 billion by 2022, attaining a ~11% CAGR (Gartner, IDC

### Discussion on Financial Performance with Respect To Operational Performance:

The Company was under Corporate Insolvency Resolution Process ("CIRP") with effect from October 3, 2019 under the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC") by an Order passed by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT") and Mr. Neehal Mahamulal Pathan was appointed as an IRP and thereafter RP (Resolution Professional). The NCLT vide its order dated November 1, 2023 has approved the Resolution Plan submitted by M/s. Shivasons Solutions India Private Limited under Section 31 of the IBC, which has been implemented in phase wise manner and subsequent orders were passed by NCLT on June 25, 2024 and August 09, 2024 on Resolution Plan.

During the year there is no operations in the Company.

### Opportunities, Threats, Risks and Concerns:

Company did not conduct business during the year 2020-21 and it has not evaluated opportunities, threats, risks and concerns for Financial Year 2020-21.

### Internal Controls and Their Adequacies:

The internal control system is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transaction with proper authorization and ensuring compliance of corporate policies.

### Human Resources/ Industrial Relations:

The Company believes and recognizes that its employees are a vital resource in its growth and to give competitive edge in the present business scenario The Company takes pride in the commitment, competence and dedication shown by its employees in all areas.

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Company's philosophy on Code of Governance of **"MELSTAR INFORMATION TECHNOLOGIES LIMITED (MITL)"** considers Corporate Governance as a pre-requisite for meeting the needs of its stakeholders. The principles of transparency, accountability, trusteeship, creating robust policies and practices for key processes, equity in all facets of its operations and integrity are at the core of the Company's basic character.

The Board of Directors (**'the Board'**) is at the core of our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of our stakeholders.

A petition filed by M/s Nityo Infotech Services Private Limited u/s 9 of the IBC, 2016 has been admitted on 1 st October, 2019 except that there was no such major change in the nature of business during the year under the review. The Adjudicating Authority, the National Company Law Tribunal (NCLT), Mumbai, has also appointed Mr. Neehal Mahamulal Pathan, a registered insolvency resolution professional having Registration Number [IBBI/IPA-001/IP-P01561/2019-20/12406] and the same was confirmed by the Committee of Creditors (CoC).

In view of admission of Company under CIRP, the powers of the Board of Directors were suspended and Mr. Neehal Mahamulal Pathan who was Resolution Professional of the Company was managing the affairs of the Company.

### BOARD OF DIRECTORS

#### Composition of Board

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Companies Act, 2013 and in accordance with the best practices in Corporate Governance.

The Composition of Board and category of Directors are as follows:

| Name | Designation | Category of Directorship | No. of Directorships in other Companies as on 31st March, 2021 | | Committee Member-ships (Excl. MITL) | Committee Chairmanships* |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | | 5 | 6 |
| | | | Other Listed Company | Unlisted Limited, Pvt. Ltd. Co., Foreign Co. | | |
| Mr. Anant Satish Pathak (DIN:05338978) | Additional Director | Non-Executive and Non-Independent from 01.02.2019 till 12.08.2019 | 0 | 3 | Nil | Nil |
| | Additional Director, Managing Director | Again, Appointed w.e.f 13.08.2019 | 0 | | | |
| Mr. Sirish Kumar Sahoo | Additional Director | Non-Executive Director, Non- | 0 | 1 | Nil | 1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| (DIN: 08052666) | | Independent | | | | |
| Mr. Pramod Shivaji Bhosale (DIN: 08669615) | Additional Director | Non-Executive Director, Independent | 0 | 0 | Nil | 2 |
| Ms. Shireen Mohd Haneef Khan (DIN: 08669626) | Additional Director | Non-Executive Director, Independent | 0 | 0 | Nil | Nil |

There are three board meeting during the year 2020-21 dated December 9, 2020, December 29, 2020 and December 30, 2020. As Company was under CIRP, no meeting held hereafter. The details of attendance and other details were not provided by RP hence details were not given.

**Notes:**

a. None of the Directors is related to any other Director nor has any business relationship with the Company.

b. None of the Directors has received any loans and advances from the Company.

c. The Company have not provided loans and advances in the nature of loans to firms/companies in which Directors are interested.

Number of other board of directors or committees in which a director is a member or chairperson and with effect from the Annual Report for the year ended 31st March 2019, names of the listed entities where the person is a director and the category of directorship. – No information is available with the current Board of Directors due to no information provided by RP.

**Matrix highlighting Skills/ Expertise/ Competencies of the Board of Directors.**

The Board of the Company is structured, having requisite level of qualifications, professional background and industry expertise. The Board, after taking into consideration the Company's nature of business and key characteristics, has identified the following key skills/ expertise/ competencies, as required in the context of its business and sector for it to function effectively.

- **Strategy Ability**

  Ability to think strategically and identify and critically assessed strategic opportunities and threats and develop effective strategies for the growth of the Company.

- **Finance**

  Qualification and experience in accounting, taxation, finance, ability to analyse key financial statements and contribution towards strategic financial planning.

- **Information Technology**

  Background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.

- **Risk**

  Ability to identify key risks to the organisation in a wide range of areas including legal & regulatory compliance, and monitor risk & compliance management frameworks and systems. The specific areas of skills/ expertise/competence, which individual Board members meet,

are given below. Absence of mention regarding an area of expertise against a Board member's name does not necessarily mean that the member does not possess the corresponding qualification or skill.

RP has not given any details as stated above.

**Declarations from Independent Director –** no information is made available by RP.

**Director's Familiarization Programme**
The details of Director's induction and familiarization will be made available on the Company's website www.melstarrtech.com

**COMMITTEES OF THE BOARD**

**(a) AUDIT COMMITTEE:**
As Company was under CIRP and during the year there was no Audit Committee meeting held for FY 2020-21.

**(b) NOMINATION AND REMUNERATION COMMITTEE**
As Company was under CIRP and during the year there was no Nomination and Remuneration Committee meeting held for FY 2020-21.

**C) STAKEHOLDERS' RELATIONSHIP COMMITTEE**

As Company was under CIRP and during the year there was no Stakeholders Relationship Committee meeting held for FY 2020-21.

As informed by RP, during the financial year, no complaints were received from the shareholders of the Company.

**Details of Sitting fee Paid to Directors during the financial year ended 31st March, 2021:**

The company has not paid any sitting fees during the financial year ended 31st March, 2021.

Your Company presently does not have a scheme for grant of stock options or performance-linked incentives for its directors. The Company has not received any complaints from members.

**(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**
The provisions relating to constitution of the Corporate Social Responsibility Committee as prescribed under Section 135 of the Companies Act, 2013 read with Companies (CSR) Rules, 2014 is not applicable on the Company and hence no committee has constituted so far.

**PERFORMANCE EVALUATION OF THE BOARD**

The performance evaluation of the Independent Directors was not carried out by the Board.

**Independent Directors Meeting**

During the year under review, no Independent Directors meeting held.

**Senior management: Particulars of senior management including the changes therein since the close of the previous financial year. -** RP has not given any details as stated above.

**GENERAL BODY MEETINGS The Annual General Meetings of the Company held during the previous three years were as under:**

| Financial Year | Time | | Location | Special Resolutions transacted |
|---|---|---|---|---|
| AGM; 2017-18 | 27.09.2018 | 11.00 A.M. | "126", Sitaram Poddar Marg, Fanaswadi, Mumbai – 400002 | NIL |
| AGM 2018-19 | 26.09.2019 | 11.00 A.M. | Library Hall, IMC building, Churchgate, Mumbai | NIL |
| AGM 2019-20 | 31.12.2020 | 11.00 A.M. | Through video conferencing and other audio-visual means | NIL |

**Resolutions passed through Postal Ballot - Nil**

Listing:

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company has not paid Annual Listing Fees to both these Stock Exchanges. The Stock Exchange Code of the Company during FY 2020-21 were 532307 on BSE Limited and Melstar on NSE.

**Disclosures**

**CEO /CFO Certification**

The Chief Executive Officer has given a certificate to the Board as contemplated in Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Related Parties Transactions**

No materially significant related party transactions were entered by the Company with its promoters or directors, which could be deemed to be potentially conflicting with the interests of the Company. There were some transactions with related parties in the ordinary course of business of the Company. The register of contracts contains details of transaction, if any, in which directors are interested and the same is placed before the meeting of the Board. The details of such transactions are disclosed in the Notes to Accounts.

**Code of Conduct**

The Board of Directors has laid down a "Code of Conduct" (Code) for all the Board Members and the senior management of the Company and this Code is posted on the Website of the Company. Annual Compliance affirmation is obtained from every person covered under the Code.

**Risk Management**

A Risk Management Policy is in place, wherein key risks are categorised and assessed in terms of probability and its likely impact on the Company's business which are periodically evaluated and report of the same are placed before the Board for review.

**Whistle Blower Policy**

The Company has laid down a Whistle Blower Policy. The employees can bring to the notice of the management their concerns on any issues. A "Suggestion Box" is also available in the Company in which employees can deposit in writing their concerns and suggestions even without disclosing their name.

**SUBSIDIARY COMPANY**

The Company has no Subsidiary as on 31st March, 2021.

**Statutory Compliance, Penalties and Strictures**

BSE and NSE has levied fine of Rs._11.08 crore each on the Company for non-compliance of various regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the CIRP period from 2019 to 2024. Company is in the process of filing waiver application with BSE and NSE to waive such fine since there is no fault of the current Board and Resolution Applicant for non compliance done by RP.

**CREDIT RATING** : Company has not obtained any credit rating during the year under review.

**Fees to Statutory Auditors:**

During the year under review, the Company and its subsidiaries have made payments to the statutory auditor of the Company for providing audit and other services. The consolidated details of fees are mentioned below:

| **Fees paid to Statutory Auditor by the Company and its subsidiaries** | **Amount in Rs.** |
|---|---|
| Statutory Audit fees | 1,00,000 |
| **Total** | 1,00,000 |

**Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place a policy aiming at prevention of Sexual Harassment at all workplaces of the Company in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. An internal Complaint Committee has been set up in the Company in accordance with this legislation to consider and redress complaints received with respect to sexual harassment. As per requirements of SEBI LODR, details of complaints or grievances of the nature covered under the said act are mentioned below:

| Particulars | No. of cases |
|---|---|
| Number of complaints pending as on April 1, 2020 | Nil |
| Number of complaints filed during the financial year | Nil |
| Number of complaints disposed of during the financial year | Nil |
| Number of complaints pending as on March 31, 2021 | Nil |

**MEANS OF COMMUNICATION**

The Company publishes its quarterly, half-yearly and annual financial results in due time in leading National and Regional Daily newspapers.

The results are also posted on Company's website viz. www.metstarrtech.com and websites of the stock exchange. Information relating to shareholding pattern and compliance on corporate governance norms are also posted on Company's website post new management taken-over the Company from July 3, 2024.

All price sensitive information are immediately informed to Stock Exchange before the same is communicated to general public through newspapers.

**OTHERS**

A firm of Company Secretaries periodically carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit reports confirm that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting Details

| | |
|---|---|
| Day | Monday |
| Date | December 23, 2024 |
| Time | 11:00 A.M |
| Venue | Through Video Conferencing / Other Audio-Visual Mode |
| Dates of Book Closure | Tuesday, December 17, 2024 Monday, December 23, 2024 (both days inclusive). |

**Financial Year: 01st April, 2020 to 31st March, 2021**

The Company has already published financial results on August 14, 2024

| Bombay Stock Exchange Limited | The National Stock Exchange of India Limited |
|---|---|
| Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 | Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 |
| **Code: 532307** | **Code: MELSTAR** |

**Registrar and Share Transfer Agent**: The Complete address of Registrar and Share Transfer Agent for communication is as follows:

**Bigshare Services India Private Limited,**
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis
Makwana Road Marol, Andheri East, Mumbai 400059
Tel: 022 62638200
Fax: 022 62638299

**SHARE TRANSFER SYSTEM**

As the Company under CIRP, no share transfer records are made available by the Resolution Professional or . Registrar and Share Transfer Agent to the current management

**DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH, 2021**

| Shareholding of Nominal | Number of Shareholders | % of Total Holders | Total Holding in Shares | % of Total Capital |
|---|---|---|---|---|
| 1-500 | 8096 | 78.6707 | 1336987 | 9.3606 |
| 501- 1000 | 1089 | 10.5821 | 938708 | 6.5721 |
| 1001 – 2000 | 509 | 4.9461 | 803527 | 5.6257 |
| 2001-3000 | 205 | 1.9920 | 526827 | 3.6885 |
| 3001 – 4000 | 82 | 0.7968 | 295293 | 2.0674 |
| 4001 – 5000 | 100 | 0.9717 | 475338 | 3.3280 |
| 5001 – 10000 | 116 | 1.1272 | 867074 | 6.0706 |
| 10001 and above | 94 | 0.9134 | 9039385 | 63.2871 |
| **Total** | **10291** | **100.0000** | **14283139** | **100.0000** |

**Stock Data:**

**High/Low of Market Price of Company's Equity shares traded in the Stock Exchange Mumbai (BSE) during the financial year ended on 31-03-2021 was as follows:**

| | BSE | | NSE | |
|---|---|---|---|---|
| **Month** | **High** | **Low** | **High** | **Low** |
| April 2020 | 4.11 | 2.65 | 2.90 | 2.90 |
| May 2020 | 4.56 | 2.87 | 2.75 | 2.75 |
| June 2020 | 4.92 | 2.86 | 3.30 | 3.15 |
| July 2020 | 3.65 | 3.30 | 1.75 | 1.75 |
| August 2020 | 3.45 | 2.44 | 2.80 | 2.80 |
| September 2020 | 3.12 | 1.76 | 1.80 | 1.80 |
| October 2020 | 2.20 | 1.75 | 2.00 | 1.95 |

| | | | | |
|---|---|---|---|---|
| November 2020 | 2.24 | 1.73 | 1.85 | 1.80 |
| December 2020 | 2.49 | 1.67 | 2.45 | 2.30 |
| January 2021 | 3.26 | 1.90 | 1.95 | 1.90 |
| February 2021 | 2.10 | 1.64 | 1.85 | 1.85 |
| March 2021 | 2.14 | 1.80 | 1.90 | 1.90 |

**SHAREHOLDING PATTERN AS AT 31ST MARCH, 2021**

| | **Category** | **No. of shares** | **% of holding** |
|---|---|---|---|
| A | **Promoters' holding** | | |
| 1 | Bodies Corporate pursuant to open offer purchase | 6720976 | 47.06 |
| B | **Non-Promoters holding** | | |
| 1 | Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Gov. Institutions | 0 | 0.00 |
| 2 | Private Corporate Bodies | 341862 | 2.39 |
| 3 | Indian Public | 6593429 | 46.16 |
| 4 | NRIs | 188362 | 1.31 |
| 5 | Foreign Individuals | 0 | - |
| | Others, (HUF) | 346030 | 2.42 |
| | CLEARING MEMBER | 33530 | 0.20 |
| | OVERSEAS CORPORATE BODIES | 58950 | 0.41 |
| | **TOTAL** | **1,42,83,139** | **100.00** |

**Dematerialization of Shares and Liquidity:** As at **31.03.2021**, the number of shares of the Company in demat form stood at 14029688 share representing **98.22%** of shares issued by the Company. Considering the advantages of trading in demat form, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.

Demat ISIN Number allotted to company's shares by NSDL and CDSL is: : **INE817A01019**.

**Unclaimed Shares lying in Demat Suspense Account:**

The Company has a separate demat suspense account (no. IN302902/47834376) as per the requirements of Regulation 39 read with Schedule VI of SEBI LODR (previously SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 amending the erstwhile listing agreement) for the purpose of holding unclaimed shares.

The details of shares held in the said demat suspense account: Nil

**Transfer to IEPF**

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") and amendments made thereunder, the Company was required to file with the Registrar of Companies, the details of unclaimed/ unpaid dividend lying with the Company which would be transferred to the IEPF after a period of seven years of its declaration and to display the details on the website of the Company. Accordingly, the details of unclaimed/ unpaid dividend were filed and were required to be displayed on the website of the Company.

The Company has not declared dividend on its equity shares after Financial year 2020-21. The

Current Board of Directors unable to furnish details due to non-availability of records made available by RP.

**Address of Registered Office for Correspondence:**

The Company Secretary
Melstar Information Technologies Limited
Unit No. 1302, 13th floor, "Raheja Centre",
The Free Press Journal Marg, Nariman Point, Mumbai – 400 021
Ph: 91 93210 3006
Email : cs@melstarrtech.com

**Outstanding GDRs / ADRs, etc.:** The Company has not issued any GDRs or ADRs or any other convertible instruments

**Commodity price risks or foreign exchange risk and hedging activities**

The Company does not have any exposure to commodity price risks. However, the foreign exchange exposure and the interest rate risk have not been hedged by any derivative instrument or otherwise.

**Plant Locations**

The Company yet to start business in aviation sector and as such has no plant.

## DECLARATION ON ADHERENCE TO THE CODE OF CONDUCT

**To,**
**The Members of Melstar Information Technologies Limited**

I hereby confirm that pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained from all the members of the current Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2021.

**For and on behalf of the Board of Directors**
**Sd/-**

**Vineet Govardhan Shah**
**Managing Director & CFO**
**DIN: 01761772**

**Place: Mumbai**
**Date : November 14, 2024**

## CEO AND CFO CERTIFICATION

**To,**
The Board of Directors ('Board')
**Melstar Information Technologies Limited**
Unit No. 1302, 13th Floor, Raheja Centre,
The Free Press Journal Marg, Nariman Point,
Mumbai, Maharashtra, India, 400021

(1) I have reviewed financial statements and the cash flow statement of Melstar Information Technologies Limited ("the Company") for the year ended March 31, 2021 and to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(3) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(4) I have indicated to the Auditors and the Audit Committee:

(i) there are no significant changes in internal controls over financial reporting during the year;
(ii) there are no significant changes in accounting policies during the year; and
(iii) there are no instances of significant fraud of which we have become aware.

**For and on behalf of the Board of Directors**

**Sd/-**

**Vineet Govardhan Shah**
**Managing Director & CFO**
**DIN: 01761772**

Place: Mumbai
Date: November 14, 2024

**C E R T I F I C A T E**

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,
**The Members of Melstar Information Technologies Limited**
Unit No. 1302, 13th Floor, Raheja Centre,
The Free Press Journal Marg, Nariman Point,
Mumbai, Maharashtra, India, 400021

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to MELSTAR INFORMATION TECHNOLOGIES LIMITED bearing CIN: L99999MH1986PLC040604, having registered office at Unit No. 1302, 13th Floor, Raheja Centre, The Free Press Journal Marg, Nariman Point, Nariman Point, Mumbai, Mumbai, Maharashtra, India, 400021 (hereinafter referred to as "the Company") for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and based on the following:

i. Documents available on the website of the Ministry of Corporate Affairs;
ii. Verification of Directors Identification Number (DIN) status on the website of the Ministry of Corporate Affairs;
iii. Disclosures provided by the Directors (as enlisted in Table A) to the Company; and
iv. Debarment list of BSE Limited and National Stock Exchange of India Limited

We hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2021.

**Table A**

| Sr. No | Name of Directors | Directors Identification Number (DIN) | Date of Appointment in Company | Cessation |
|---|---|---|---|---|
| 1. | Mr. Anant Satish Pathak | 05338978 | 13/08/2019 | 04/07/2024 |
| 2. | Mr. Sirish Kumar Sahoo | 08052666 | 01/04/2019 | 03/07/2024 |
| 3. | Mr. Pramod Shivaji Bhosale | 08669615 | 23/01/2020 | 04/07/2024 |
| 4. | Ms. Shireen Mohd Haneef Khan | 08669626 | 23/01/2020 | 04/07/2024 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

*For* **S. Talwar & Associates**

*Company Secretaries*

Sd/-

**Mr. Saurabh Talwar**

ACS: 36045

CP: 13338

PR: 2836/2022

Place: New Delhi
Date: September 30, 2024

## Certificate on Corporate Governance by Practicing Company Secretary

**To,**
**The Members of**
**Melstar Information Technologies Limited**
Unit No. 1302, 13th Floor, Raheja Centre,
The Free Press Journal Marg, Nariman Point,
Mumbai, Maharashtra, India, 400021

We have examined the compliance of conditions of Corporate Governance by Melstar Information Technologies ("the Company") Limited for the year ended on 31st March 2021 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulations 15(2) of the SEBI Listing Regulations, 2015 for the period from April 01, 2020 to March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 except *qualifications mentioned in Secretarial auditor report for the year ended on 31st March 2021.*

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **S. Talwar & Associates**
*Company Secretaries*

Sd/-

**Mr. Saurabh Talwar**
ACS: 36045
CP: 13338
PR: 2836/2022

Place: New Delhi
Date: September 30, 2024

**INDEPENDENT AUDITOR'S REPORT**

To the Members of MELSTAR INFORMATION TECHNOLOGIES LIMITED

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

We have audited the standalone financial statements of MELSTAR INFORMATION TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner sorequired and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. With reference to Note No 27 (l) regarding the balance of Trade Payables, Trade Receivables, Loans, Advances, current liabilities, borrowing from others etc. being not confirmed by the parties due to pending reconciliation the management has not sent direct confirmations to parties and hence our inability to state whether these balances are recoverable /payable to the extent stated.

2. The company has accumulated losses exceeding the share capital and reserves and its net worth has been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the standalone financial results of the Company have been prepared on a going concern basis because of the reasons stated in the Note No. 27 (j) to the standalone financial results.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note No. 27 (i) regarding 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).
Our opinion is not modified in respect of these matters.

**Key Audit Matters**

Key Audit Matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters ("KAM") to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| Allowance for credit losses<br>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the geographical location where it operates.<br><br>In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.<br>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses. | Our audit procedures related to the allowance for credit<br>losses for trade receivables included the following, among others:<br><br>We tested the effectiveness of controls over the<br>• development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions<br>• completeness and accuracy of information used in the estimation of probability of default and<br>• Computation of the allowance for credit losses.<br><br>For a sample of customers:<br>We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.<br><br>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. |
| **Investment impairment assessment**<br>The Company has investments in subsidiaries. These investments are accounted for at cost less impairment. If an impairment exists, the recoverable amounts of the above investment are estimated in order to determine the extent of the impairment loss, if any.<br><br>Determination of triggers for impairment | Evaluation of impairment risk and assessing whether triggers exist for any investment based on consideration of external and internal factors affecting the value and performance of the investment.<br><br>Our audit procedures included:<br>• Obtained management assessment of recoverable amount for investments where impairment risk is identified. |

| | |
|---|---|
| in value of these investments and recoverable amount involves significant estimates and judgements. | • Evaluated the mathematical accuracy of the cash flow projection and assessed the underlying key assumptions in management's valuation models used to determine recoverable amount considering external data, including assumptions of projected EBITDA, revenue growth rate, terminal growth rates, discount rates, and assessed the sensitivity of the assumptions on the impairment assessment and assessed the forecasts against the historical performance.<br><br>Assessed the appropriateness of the related disclosures in the standalone financial statements. |

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other identified as above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are

free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors eitherintends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

**1.** As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure 1"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**2.** As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting ofthe Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"**.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company do not have any pending litigation as on as on 31st March 2021.

II. The Company did not have any long-term contracts outstanding as on 31st March 2021 for which there were any material foreseeable losses;

III. The Company is not required to transfer funds to the Investors Education and Protection Fund.

**For C K S P AND CO LLP**
**Chartered Accountants**
**FRN. 131228W/W100044**

**Dhananajay Jaiswal**
**Partner**
**M. No. 187686**
**UDIN: 24187686BKBXOC2268**

**Place: Mumbai**
**Date: 14.08.2024**

**ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT**

**Annexure referred to in Independent Auditors' Report of even date to the members of MELSTAR INFORMATION TECHNOLOGIES LIMITED on the standalone financial statements for the year ended March 31, 2021.**

**1.** Fixed Assets

a. Maintenance of Records

-The Company does not have fixed assets as on the reporting date.

b. Physical verification

The Company does not have fixed assets as on the reporting date.

c. Title Deeds

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not hold any property and hence this clause is not applicable.

**2.** The Company is in the business of rendering services and consequently does not have any inventories during the year. Consequently, clause 3(ii) of the order is not applicable to the company.

**3.** The company has granted interest free loan of Rs. 178.55 lakhs to Birla Power Solution covered in register maintained under section 189 of the companies Act 2013. No recoveries have been made and company has provided for Rs. 178.55 lakhs as doubtful recoveries.

**4.** In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.

**5.** In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made thereunder with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.

**6.** According to the information and explanations given to us, the central government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013.

**7.**

**a.** The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's state insurance, Income tax, Goods and Service Tax, Value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Details of outstanding undisputed statutory dues at the year end and outstanding for more than six

months are as below.

(Amount in Lakhs)

| Particulars | Dues as on March 31, 2021 | Outstanding for more than 6 months as on March 31, 2021 |
|---|---|---|
| Nil | | |

**b**. The details of dues of statutory dues which have not been deposited on account of any dispute are given in the Annexure to this report.

| Name of the statute | Nature of Dues | Amount (Rs in Lakhs) | Period | Forum wheredispute ispending |
|---|---|---|---|---|
| **NIL** | | | | |

**8.** The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

**9.** In our opinion and according to the information and explanations given to us the company has not raised any funds from any entity and hence clause (ix)(a) to (ix)(f) of the paragraph 3 of the Order is not applicable to the Company.

**10.** A) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, Clause (x) (a) of Order is not applicable.

B) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (x) (b) of Order is not applicable.

**11.** A) Based on the audit procedures performed for the purpose of reporting true and fair view of financial statements and as per information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

B) Since no fraud has been reported during the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by us as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

C) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not received any whistle-blower complaints, during the year.

**12.** The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.

**13.** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of The Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.

**14.** According to the information and explanations given to us by the Company, the company is not required to appoint an internal auditor. Accordingly, clause (xiv) of the order is not applicable to the Company

**15.** In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

**16.** According to the information and explanations given to us and based on our examination of the records of the Company,

a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

b) The Company has not conducted any Non-Banking financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d) There is no Core Investment Company as a part of the Group. Hence, the requirement to report under clause 3(xvi) of the Order is not applicable to the Company

**17.** The Company has incurred cash losses in the current year and in the immediately preceding financial year.

**18.** There has been no resignation of the statutory auditors during the year and accordingly the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

**19.** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report

that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**20.** There are no unspent amounts as on 31 March 2021 that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 38 to the financial statements.

**For C K S P AND CO LLP**
**Chartered Accountants**
**FRN. 131228W/W100044**

**Dhananajay Jaiswal**
**Partner**
**M. No. 187686**
**UDIN: 24187686BKBXOC2268**

**Place: Mumbai**
**Date: 14.08.2024**

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

**Annexure Referred to in Independent Auditors' Report on the Standalone Financial Statements of Even date to the members of MELSTAR INFORMATION TECHNOLOGIES LIMITED for the year ended March 31, 2021.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MELSTAR INFORMATION TECHNOLOGIES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

**Meaning of Internal Financial Control over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1)Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;(3)Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C K S P AND CO LLP**
**Chartered Accountants**
**FRN. 131228W/W100044**

**Dhananajay Jaiswal**
**Partner**
**M. No. 187686**
**UDIN: 24187686BKBXOC2268**

**Place: Mumbai**
**Date: 14.08.2024**

**MELSTAR INFORMATION TECHNOLOGIES LIMITED**

**Balance Sheet as at March 31, 2021**

**(Rs. in Lakhs)**

| Sr.No | PARTICULARS | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| | | | | |
| | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | Property, plant and equipment | 4 | 0.00 | 1.35 |
| | Intangible Assets | 4 | 0.00 | 0.01 |
| | Intangible Assets under development | 4 | 0.00 | 0.00 |
| | Investments | 5 | 0.00 | 14.35 |
| | Other non-current assets | 6 | 35.82 | 49.68 |
| | **Total Non-Current Assets** | | **35.82** | **65.39** |
| 2 | **Current assets** | | | |
| | **Financial assets** | | | |
| | i.Trade receivable | 7 | 171.35 | 238.43 |
| | ii.Cash and cash equivalents | 8 | 7.21 | 129.54 |
| | iii.Loans & Deposits | 9 | 565.32 | 591.35 |
| | Current Tax Assets (Net) | 10 | 119.08 | 113.10 |
| | Other current assets | 11 | 0.00 | 67.04 |
| | **Total Current Assets** | | **862.96** | **1,139.46** |
| | **Total Assets (1+2)** | | **898.78** | **1,204.85** |
| | **EQUITY AND LIABILITIES** | | | |
| 1 | **Equity** | | | |
| | Equity share capital | 12 | 1,428.31 | 1,428.31 |
| | Share Application Money | | 5.00 | - |
| | Other equity | 13 | -1,955.93 | -1,777.74 |
| | **Total Equity** | | **-522.62** | **-349.43** |
| | **LIABILITIES** | | | |
| 2 | **Non-current liabilities** | | | |
| | **Financial Liabilities** | | | |
| | i. Borrowings | 14 | - | - |
| | ii. Other Financial Liabilities | | - | - |
| | Provisions | 15 | 0.00 | 30.16 |
| | Right of Use Lease Liabilities | | 0.00 | 0.00 |
| | **Total Non-Current Liabilities** | | **0.00** | **30.16** |
| 3 | **Current liabilities** | | | |
| | Financial liabilities | | | |
| | i. Borrowings | 16 | 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 enterprises and small enterprises | 17 | 631.66 | 754.80 |
| | iii. Other financial liabilities | 18 | - | - |
| | Provisions | 19 | 43.37 | 29.00 |
| | Other current liabilities | 20 | 449.37 | 443.32 |
| | **Total Current Liabilities** | | **1,421.40** | **1,524.12** |
| | **Total Equity and Liabilities (1+2+3)** | | **898.78** | **1,204.85** |
| | **Significant accounting policies** | **1 to 3** | | |
| | **The accompanying notes are an integral part of the financial statements** | **1 to 27** | | |

**In terms of our report attached**

**For C K S P AND CO LLP**
**Chartered Accountants**
**FRN. 131228W/W100044**

**Dhananajay Jaiswal**
**Partner**
**Membership No. 187686**
**Place : Mumbai**
**Date : 14.08.2024**

**For and on behalf of MELSTAR INFORMATION TECHNOLOGIES LIMITED**

| Vineet Govardhan Prasad Shah | Alyzaa Merchant | Meenakshi Ramandasani |
|---|---|---|
| Managing Director | Director | Company Secretary |
| DIN : 01761772 | DIN: 07164228 | Membership No. A47336 |

**Neehal Mahamulal Pathan**
**Resolution Professio**
**Reg. No.IBBI/IPA-001/IP-P/01561/2018-19/12406**

**MELSTAR INFORMATION TECHNOLOGIES LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2021**

| Sr.no | PARTICULARS | | Year ended March 31,2021 | Year ended March 31,2020 |
|---|---|---|---|---|
| **1** | **Revenue from operations** | 21 | 117.33 | 1,113.35 |
| **2** | **Other income** | 22 | 9.79 | 8.05 |
| **3** | **Total revenue (1+2)** | | **127.12** | **1,121.40** |
| **4** | **Expenses** | | | |
| a | Employee benefit expense | 23 | 176.82 | 974.99 |
| b | Finance costs | 24 | - | 27.61 |
| c | Depreciation and amortization expenses | 4 | - | 0.55 |
| d | Other expenses | 25 | 128.49 | 583.35 |
| | **Total expenses (a+h)** | | **305.31** | **1,586.50** |
| **5** | **Profit before tax (3-4)** | | **-178.19** | **-465.10** |
| **6** | **Tax expense:** | | | |
| | Current tax | | 0.00 | 0.00 |
| | (-) MAT Credit entitlement | | 0.00 | 0.00 |
| | Deferred tax | | 0.00 | -0.06 |
| | Excess/Short Provision for tax | | 0.00 | 0.00 |
| | **Total tax expense** | | **0.00** | **-0.06** |
| **7** | **Profit/(Loss) for the year (5-6)** | | **-178.19** | **-465.04** |
| **8** | **Other comprehensive income** | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | i. Remeasurement of the defined benefit plans; | | 0.00 | 0.22 |
| | ii. Income tax relating to items that will not be reclassified to profit or loss | | 0.00 | -0.06 |
| | **Total other comprehensive income for the year (net of tax) (i+ii)** | | 0.00 | 0.16 |
| **9** | **Total Comprehensive Income for the year (7+8)** | | **-178.19** | **-464.88** |
| **10** | **Paid-up Equity Share Capital (In Lakhs)** | | 1,428.31 | 1,428.31 |
| | Face value of share (Rs.) | | 10.0 | 10.0 |
| **12** | **Earnings per equity share (EPS) :** | **26** | | |
| | Basic and Diluted EPS (Rs.) | | -1.25 | -3.26 |

**In terms of our report attached**

**For C K S P AND CO LLP**
**Chartered Accountants**
**FRN. 131228W/W100044**

**Dhananajay Jaiswal**
**Partner**
**Membership No. 187686**
**Place : Mumbai**
**Date : 14.08.2024**

**For and on behalf of MELSTAR INFORMATION TECHNOLOGIES LIMITED**

**Vineet Govardhan Prasad Shah**
**Managing Director**
**DIN : 01761772**

**Alyzaa Merchant**
**Director**
**DIN: 07164228**

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

**Meenakshi Ramandasani**
**Company Secretary**
**Membership No. A47336**

**MELSTAR INFORMATION TECHNOLOGIES LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

**(Rs in Lakhs)**

| Sr. No. | | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| | Net profit before exceptional item, taxation and prior period adjustments (Including discontinue operation) | | (178.19) | | (465.10) |
| | Adjustments for: | | | | |
| | Depreciation and Amortization | - | | 0.55 | |
| | Provision for Investment Diminution | 28.28 | | 176.40 | |
| | Fixed Assets written off | 1.36 | | - | |
| | Interest Expense | - | | 27.61 | |
| | Sub-total | | 29.64 | | 204.56 |
| | **Operating Profit Before Working Capital Changes** | | **(148.55)** | | **(260.54)** |
| | **Adjustments for changes in working capital :** | | | | |
| | Inventories | | | | |
| | Trade Receivables | 67.08 | | (205.25) | |
| | Loans & Deposits | 26.03 | | 292.42 | |
| | Other Current Assets | 67.04 | | 37.15 | |
| | Other Non Current Assets | (0.07) | | - | |
| | Trade Payables | (123.14) | | 29.85 | |
| | Short Term Provisions | 14.37 | | 11.02 | |
| | Long Term Provisions | (30.16) | | (2.43) | |
| | Other Financial Liabilities | 6.05 | | - | |
| | Short Term Borrowings | - | | 50.00 | |
| | Other Current Liabilities | - | | 202.81 | |
| | Provisions In Non -Current Liabilities | - | | - | |
| | Sub-total | | 27.20 | | 415.57 |
| | **Cash Flow From Operating Activities After Exceptional Item** | | **(121.35)** | | **155.03** |
| | **Income tax paid (net of refund)** | | | | |
| | Direct Taxes Paid/reversal (Net of Refund) | 7.01 | | - | |
| | | | 7.01 | | - |
| | **Net Cash Flow From Operating Activities After Exceptional Item……(A)** | | **(114.34)** | | **155.03** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| | (Additions)/Sale of fixed assets | - | | (0.56) | |
| | Fixed Assets written off | 1.36 | | - | |
| | Provision for Investment Diminution | (14.35) | | - | |
| | Sub-total | | (12.99) | | (0.56) |
| | **Net Cash used for Investing Activities…….. (B)** | | **(12.99)** | | **(0.56)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| | Repayment of Borrowings | - | | - | |
| | Interest Paid | | | (27.61) | |
| | Share Application Money Pending Allotments | 5.00 | | - | |
| | Sub-total | | 5.00 | | (27.61) |
| | **Net Cash used for Financing Activities……(C)** | | **5.00** | | **(27.61)** |
| | **Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)** | | **(122.33)** | | **126.86** |
| | **Cash and Cash Equivalents at the beginning of the period** | **129.54** | | **2.68** | |
| | **Cash and Cash Equivalents at the end of period** | **7.21** | | **129.54** | |
| | | | **(122.33)** | | **(126.86)** |

**The accompanying notes are an integral part of these financial statemnts.**

**For and on behalf of MELSTAR INFORMATION TECHNOLOGIES LIMITED**

As Per Our Attached Report of Even Date

**For C K S P AND CO LLP**
Chartered Accountants
FRN. 131228W/W100044

**Dhananajay Jaiswal**
**Partner**
**Membership No. 187686**

**Place: Mumbai**
**Date: 14.08.2024**

**Vineet Govardhan Prasad Shah**
**Managing Director**
**DIN : 01761772**

**Alyzaa Merchant**
**Director**
**DIN: 07164228**

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

**Meenakshi Ramandasani**
**Company Secretary**
**Membership No. A47336**

| Particulars | Gross Block | | | | | Accumulated Depreciation/Amortisation | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1st April 2020 | Additions | (Disposals) | other Adjustment | Balance as at 31st March 2021 | Balance as at 1st April 2020 | | Depreciation charge for the year | On disposals | other Adjustment | Balance as at 31st March 2021 | Balance as at 31st March 2020 | Balance as at 31st March 2021 |
| **Tangible Assets** | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Leasehold Land | 0.00 | - | - | - | - | - | * | - | - | - | - | - | - |
| | 0.00 | - | - | - | 0.00 | 0.00 | | 0.00 | - | - | - | 0.00 | 0.00 |
| | | | | | | | | | | | | | |
| Buildings | 0.00 | - | 0 | - | - | - | | - | - | - | - | - | - |
| | 0.00 | - | - | - | 0.00 | 0.00 | | 0.00 | - | - | - | 0.00 | 0.00 |
| | | - | - | | | | | | | | | | |
| Plant and Equipment | 95.90 | - | 0 | - | 95.90 | 95.07 | ** | - | - | 0.83 | 95.90 | 0.83 | - |
| | | - | - | | | | | | | | | | |
| Furniture and Fixtures | 24.39 | - | - | - | 24.39 | 23.87 | ** | - | - | 0.52 | 24.39 | 0.52 | - |
| | | - | - | | | | | | - | | | | |
| Vehicles | 0.00 | - | - | - | - | - | | - | - | - | - | - | - |
| | | - | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| **Total** | **120.29** | **0.00** | **0.00** | **0.00** | **120.29** | **118.94** | | **0.00** | **0.00** | **1.35** | **120.29** | **1.35** | **0.00** |
| **Previous Year** | **119.73** | **0.56** | **0.00** | **-** | **120.29** | **118.45** | | **0.49** | | **-** | **118.94** | **1.28** | **0.00** |
| **Intangible Assets** | | | | | | | | | | | | | |
| Computer software | 17.57 | - | - | - | 17.57 | 17.56 | ** | - | - | 0.01 | 17.57 | 0.01 | - |
| **Total** | **17.57** | **-** | **-** | **-** | **17.57** | **17.56** | | **-** | **-** | **0.01** | **17.57** | **0.01** | **-** |
| **Previous Year** | **17.57** | **-** | **-** | **-** | **17.57** | **17.50** | | **0.06** | **-** | **-** | **17.56** | **0.07** | **0.00** |
| **Intangible Assets under development** | | | | | | | | | | | | | |
| WIP | 0.00 | - | - | - | - | - | | - | - | - | - | - | - |
| | 0.00 | 0.00 | - | - | 0.00 | - | | - | - | - | - | 0.00 | 0.00 |
| **Total** | **0.00** | **-** | **-** | **-** | **-** | **-** | | **-** | **-** | **-** | **-** | **-** | **-** |
| **Previous Year** | **-** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |
| | | | | | | | | | | | | | |
| **Total** | **137.86** | **-** | **-** | **-** | **137.86** | **136.50** | | **-** | **-** | **1.36** | **137.86** | **1.36** | **-** |
| **Previous Year** | **137.30** | **0.56** | **0.00** | **0.00** | **137.86** | **135.95** | | **0.55** | **0.00** | **0.00** | **136.50** | **1.35** | **0.00** |

**Note:**

* Amount Written off in respect of Leasehold land for the period of lease which has expired.

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP as the deemed cost of the property, plant and equipment (refer note 2(b)v of Significant accounting policy).

** Fixed Assets have been written off during the year.

Figures shown in brackets are in respect of Previous period

## 6. Other non- current assets

**(Rs. in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-current** | | |
| IT Refund Receivable | 22.36 | 22.36 |
| Miscellaneous Deposits | 27.39 | 27.32 |
| Less: Provision made for Misc Deposits | -13.93 | - |
| Fringe Benefit Tax | - | - |
| **Total** | **35.82** | **49.68** |
| | **49.75** | **0.07** |

**Current financial assets -**

**7. Trade Receivables**

**(Rs. in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Trade Receivables** | | |
| Trade Receivables outstanding for a period exceeding six months from the date they were due for a payment | | |
| -Unsecured, considered good | | |
| -Unsecured, considered doubtful | 526.94 | 526.94 |
| Less: Allowance for doubtful debts (expected credit loss allowanc | -526.94 | -526.94 |
| | - | - |
| Trade Receivables outstanding for a period less than six months from the date they were due for a payment | | |
| -Unsecured, considered good | 171.35 | 238.43 |
| -Unsecured, considered doubtful | - | - |
| Less: Allowance for doubtful debts (expected credit loss allowanc | | |
| | 171.35 | 238.43 |
| | | |
| **Total** | **171.35** | **238.43** |

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The Normal credit period allowed by the company ranges from 0 to 60 days.
3. There are no dues by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

4 There is no credit loss expected out of current debtors.

**8 Cash and Cash Equivalents**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| (a) Cash on hand | 0.25 | 0.25 |
| | - | - |
| **Balance with Banks** | - | - |
| **Owned fund** | - | - |
| - In Current Accounts | 6.96 | 129.29 |
| **Cash and cash equivalents as per balance sheet** | **7.21** | **129.54** |
| | | |

**9. Loans & Deposits**

**(Rs. in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (i) **Loan given** | | |
| Unsecured, considered good | 71.25 | 71.25 |
| Related Party | - | - |
| (ii) **Loan given to subsidiary companies** | | |
| Unsecured, considered doubtful | 1,143.06 | 1,143.06 |
| Less: Provision for doubtful | (1,143.06) | (1,143.06) |
| | - | - |
| (iii) **Inter Corporate Deposits** | | |
| Unsecured, considered good | - | - |
| Unsecured, considered doubtful | 178.55 | 178.55 |
| Less: Provision for doubtful | (178.55) | (178.55) |
| Advances to be recoverable in cash or kind or for value to be received (Unsecured, considered good) | 130.74 | 156.77 |
| Recoverable from sale of property | 363.33 | 363.33 |
| | 494.07 | 520.10 |
| **Total** | **565.32** | **591.35** |

**10. Current tax assets**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Tax Deducted at Source | 119.08 | 113.10 |
| **Total** | **119.08** | **113.10** |

**(a) Income tax expenses**

(i) Profit or loss section

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current tax expense | | |
| Deferred tax | | |
| **Total income tax expense recognised in Statement of Profi** | **-** | **-** |

(ii) Other comprehensive section

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Remeasurements of the defined benefit plans; | - | - |
| **Total income tax expense recognised in Other Comprehens** | - | - |

**(b) Reconciliation of effective tax rate**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Profit Before Tax | - | - |
| Tax Using Companies Domestic Tax rate-34.608% (31, March | - | - |
| Tax effect of: | | |
| Income Tax not liable to Tax | - | - |
| Adjustement in Current Tax of Previous year | - | - |
| MAT credit entitlement written back | - | - |
| Others | - | - |
| Income tax expenses | - | - |

**11. Other current assets**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (i) Unbilled Revenue | - | 67.04 |
| **Total** | **-** | **67.04** |

**12. Equity Share Capital**

**(Rs. in Lakhs)**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **Equity Share Capital** | | | | |
| **Authorised share capital:** | | | | |
| Equity Shares of Rs.10/- each | 5,49,50,000 | 5,495.00 | 5,49,50,000 | 5,495.00 |
| Preference Shares of Rs.10/- each | 50,000 | 5.00 | 50,000 | 5.00 |
| | **5,50,00,000** | **5,500.00** | **5,50,00,000** | **5,500.00** |
| **Issued, Subscribed & Paid-up share capital:** | | | | |
| Equity Shares of Rs.10/- each, fully paid up | 1,42,83,139 | 1,428.31 | 1,42,83,139 | 1,428.31 |
| **Total** | **1,42,83,139** | **1,428.31** | **1,42,83,139** | **1,428.31** |

**Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

| Particular | Year ended 31, March 2021 | | Year ended 31, March 2020 | |
|---|---|---|---|---|
| | Number of shares | Amount (Rs. in Lakhs) | Number of shares | Amount (Rs. in Lakhs) |
| Shares outstanding at the beginning of the year | **1,42,83,139** | **1,428** | **1,42,83,139** | **1,428** |
| Shares Issued during the year | **-** | **-** | **-** | **-** |
| Shares bought back during the year | **-** | **-** | **-** | **-** |
| Shares outstanding at the end of the year | **1,42,83,139** | **1,428** | **1,42,83,139** | **1,428** |

**Details of shareholders holding more than 5% of Share Capital in the Company**

| Particular | Year ended 31, March 2021 | | Year ended 31, March 2020 | |
|---|---|---|---|---|
| | Number of shares | % of Shareholding | Number of shares | % of Shareholding |
| Shearson Investment & Trading Co. Pvt. Ltd. | 21,01,908 | 14.72 | 21,01,908 | 14.72 |
| Godavari Corporation Pvt. Ltd. | 17,47,533 | 12.20 | 17,47,533 | 12.20 |
| Nirved Traders Private Limited | 22,28,249 | 15.60 | 22,28,249 | 15.60 |

**Terms /Rights attached to Equity Shares**

**The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.**

**In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.**

**13. Other equity**

**(Rs. in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital Reserve | 1.74 | 1.74 |
| Capital Redemption Reserve | 0.20 | 0.20 |
| Foreign Currency Translation Reserve | 5.74 | 5.74 |
| Retained earnings | (1,963.61) | (1,785.42) |
| **Total** | **(1,955.93)** | **(1,777.74)** |

**13.1 Capital Reserve**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | 1.74 | 1.74 |
| Movement during the year | | |
| Closing balance | **1.74** | **1.74** |

**13.2 Capital Redemption reserve**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | 0.20 | 0.20 |
| Movement during the year | | |
| Closing balance | **0.20** | **0.20** |

**13.3 Foreign Currency Translation Reserve**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | 5.74 | 5.74 |
| Movement during the year | | |
| Closing balance | **5.74** | **5.74** |

**13.4 Retained earnings**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | (1,785.42) | (1,320.54) |
| Transition impact on implementation of Ind AS 116 | - | - |
| Total Comprehensive Income during the year | -178.19 | -464.88 |
| **Amount available for appropriation** | **(1,963.61)** | **(1,785.42)** |
| Appropriations | | |
| - Dividend (including tax on dividend) | | |
| - Amortization of Loan(Net of Deferred Tax) | | |
| - Revaluation of Investment(Net of Deferred Tax) | | |
| **Closing balance** | **(1,963.61)** | **(1,785.42)** |

**In terms of our report attached**

**For C K S P AND CO LLP**
**Chartered Accountants**
**FRN. 131228W/W100044**

**Dhananajay Jaiswal**
**Partner**
**Membership No. 187686**
Place : Mumbai
**Date : 14.08.2024**

**For and on behalf of MELSTAR INFORMATION TECHNOLOGIES LIMITED**

**Vineet Govardhan Prasad Shah**
**Managing Director**
**DIN : 01761772**

**Neehal Mahamulal Pathan**
**Resolution Professional**
**Reg. No.IBBI/IPA-001/IP-P/01561/2018-19/1**

**Alyzaa Merchant**
**Director**
**DIN: 07164228**

**Meenakshi Ramandasani**
**Company Secretary**
**Membership No. A47336**

**14. Borrowings**

**(Rs. in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Term Loan from Banks** | | |
| Secured | | |
| Vehicle loan from Bank | - | - |
| (-) Short term maturity | - | - |
| **Total** | **-** | **-** |

**15. Provisions**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non Current** | | |
| **(a) Provision for employee benefits** | | |
| Gratuity(unfunded) | - | 18.64 |
| Compensated absences(unfunded) | - | 3.52 |
| **(b) Other Provision** | | |
| Provision for Tax AY 2012-13 | - | 8.00 |
| **Total** | **0.00** | **30.16** |

**16. Borrowings**

**(Rs. in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) Loans repayable on demand<br>From banks<br>-Clean Overdraft Facility<br>-Cash Credit Facility<br>-SBI OD A/C against FD | | |
| (b) Unsecured Loan and advances | 297.00 | 297.00 |
| **Total** | **297.00** | **297.00** |

**During the course of CIRP the Resolution Professional has verified & accepted the liability aggregate to Rs.288.44 lakhs (including Interest).**

**17. Trade Payables**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Trade Payables for Goods & expenses<br>Unsecured, considered Good | 631.66 | 754.80 |
| **Total** | **631.66** | **754.80** |

**18. Other financial liabilities**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current maturities of long term Loan<br>Interest Accrued on loan(accrued but not due) | - | - |
| **Total** | - | - |

**19. Provisions**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| **(a) Provision for employee benefits** | | |
| Gratuity(unfunded) | 14.98 | 5.23 |
| Compensated absences(unfunded) | 28.39 | 23.77 |
| **TOTAL** | **43.37** | **29.00** |

**20. Other current liabilities**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Statutory Remittances | 449.37 | 443.32 |
| **Total** | **449.37** | **443.32** |

**20.1** As per Resolution plan approved, the liability of Rs. 23.90 Lakhs pertaining to GST, ESIC, Professional Tax and Service Tax upto period ended on 01.10.2019 is to be paid.

**21 REVENUE FROM OPERATIONS** **(Rs. in Lakhs)**

| PARTICULARS | For the period ended 31st March, 2021 | For the period ended 31st March, 2020 |
|---|---|---|
| I T Infrastructure Projects | | |
| Software Products | | |
| Software Services | 117.33 | 1,113.35 |
| **TOTAL** | **117.33** | **1,113.35** |

**22 OTHER INCOME**

| PARTICULARS | For the period ended 31st March, 2021 | For the period ended 31st March, 2020 |
|---|---|---|
| Excess Provision of Earlier Years Written Back | 8.89 | - |
| Miscellaneous Income | 0.90 | 8.05 |
| **TOTAL** | **9.79** | **8.05** |

**23 EMPLOYEE BENEFITS EXPENSES**

| PARTICULARS | For the period ended 31st March, 2021 | For the period ended 31st March, 2020 |
|---|---|---|
| Salaries and Wages | 166.26 | 891.80 |
| Contribution to Provident and other Funds | 8.68 | 65.75 |
| Gratuity | - | 3.84 |
| Compensated Absences | 1.55 | 4.52 |
| Staff Welfare Expenses | 0.33 | 8.86 |
| Less:- | | |
| Reimbursement of Defined Benefit Plans | - | 0.22 |
| **TOTAL** | **176.82** | **974.99** |

**24 FINANCE COSTS**

| PARTICULARS | For the period ended 31st March, 2021 | For the period ended 31st March, 2020 |
|---|---|---|
| **Interest expenses** | | |
| On Fixed Period Loans | - | - |
| Others | - | 27.61 |
| **Other borrowing costs** | - | - |
| **TOTAL** | **-** | **27.61** |

## 25 OTHER EXPENSES

| PARTICULARS | For the period ended 31st March, 2021 | For the period ended 31st March, 2020 |
|---|---|---|
| Electricity | 0.13 | 17.44 |
| Rent | 1.75 | 172.36 |
| Bank Charges | 0.75 | 0.43 |
| Office Expenses | 0.24 | 11.57 |
| Rates and Taxes | - | 0.02 |
| Insurance | 1.83 | 0.79 |
| Repairs and Maintenance | 4.38 | 24.43 |
| Travelling and Conveyance | 1.43 | 25.88 |
| Communication Expenses | 1.70 | 18.48 |
| Advertising and Sales promotion expenses | - | 20.38 |
| Legal and Professional fees | 72.08 | 55.30 |
| Registrar and Transfer Fees | 1.60 | 7.43 |
| Recruitment Expenses | 6.78 | 11.53 |
| Provision for Diminution in value of Investment | 28.28 | 11.40 |
| FVTPL of Investment | - | 165.00 |
| Fixed Assets written off | 1.36 | - |
| Miscellaneous Expenses | 5.18 | 38.53 |
| **TOTAL** | **127.49** | **580.97** |

## 25.1 Details of Payment to Auditors

| PARTICULARS | For the period ended 31st March, 2021 | For the period ended 31st March, 2020 |
|---|---|---|
| As Audit Fees | 1.00 | 2.38 |
| **TOTAL** | **1.00** | **2.38** |

## 26 Earning Per Share (EPS)

| PARTICULARS | For the period ended 31st March, 2021 | For the period ended 31st March, 2020 |
|---|---|---|
| i) Net Profit/(Loss) after tax, before Exceptional Items, attributable to equity shareholders | -178.19 | -465.04 |
| Exceptional Item | 0 | 0 |
| ii) Net profit after tax attributable to equity shareholders, after Exceptional Items | -178.19 | -465.04 |
| iii) Weighted average number of equity shares considered for calculation of Basic and Diluted Earning Per Share (Nos.) | 1,42,83,139 | 1,42,83,139 |
| iv) Nominal value of equity share | 10.00 | 10.00 |
| v) Basic and Diluted Earnings per share | -1.25 | -3.26 |

**Note 27:- Fair Values**

**27(a) Financial Instruments by category:**

**Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognized in the financial statements.**

**i) Financial Assets at Amortised Cost Method**

The carrying value of the following financial assets recognised at amortised cost:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current Financial Assets** | | |
| Investments | - | - |
| **Current Financial Assets** | | |
| Trade receivables | 171.35 | 238.43 |
| Cash and Cash Equivalnets | 7.21 | 129.54 |
| Loans & Deposits | 565.32 | 591.35 |
| **Total** | **743.88** | **973.67** |

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

**ii) Financial Liabilities at Amortised Cost Method**

The carrying value of the following financial liabilities recognised at amortised cost:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current Financial Liabilities** | | |
| Borrowings | - | - |
| **Current Financial Liabilities** | | |
| Borrowings | 297.00 | 297.00 |
| Trade Payable | 631.66 | 754.80 |
| Other Financial Liabilities | - | - |
| **Total** | **928.66** | **1051.80** |

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

**Note 27 (b) : Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and

borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations directly or indirectly. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit Risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. | Aging analysis and Credit ratings | Diversification of bank deposits and credit limits |
| Liquidity Risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market Risk - Interest rate | Borrowings at variable rates | Sensitivity analysis | Not used any Interest rate derivatives. |
| Market Risk - Price risk | Equity Instruments | | Company maintains its portfolio in |
| Market Risk - Foreign exchange Risk | Export, Import and Borrowings | | Forward contracts and Currency options |

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

**Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management. Based on the business environment in which the company operates.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers. The company manages its credit risk through credit approvals,

**Financial instruments and cash deposits**

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Company's treasury risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are assigned based on corpus of investable surplus and corpus of the investment avenue. The limits are set to minimize the concentration of risks and

The Company's maximum exposure to credit risk for the components of the balance sheet at

March 31, 2024 and March 31, 2013 is the carrying amounts as stated in balance sheet. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in the liquidity table below.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk

The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium- term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2024 and March 31, 2023:

| Particulars | Carrying amount | Less than 12 Months | More than 12 Months | TOTAL |
|---|---|---|---|---|
| **Year ended March 31, 2024** | | | | |
| Secured Loans | 0.00 | 0.00 | 0.00 | 0.00 |
| Trade Payables | 631.66 | 0.00 | 631.66 | 631.66 |
| Interest Accured | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital Creditors | 0.00 | 0.00 | 0.00 | 0.00 |
| Others Liabilities | 449.37 | 0.00 | 449.37 | 449.37 |

| | | | | |
|---|---|---|---|---|
| **Year ended March 31, 2023** | | | | |
| Secured Loans | 0.00 | 0.00 | 0.00 | 0.00 |
| Trade Payables | 754.80 | 183.88 | 570.92 | 754.80 |
| Interest Accured | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital Creditors | 0.00 | 0.00 | 0.00 | 0.00 |
| Others Liabilities | 443.32 | 227.86 | 215.46 | 443.32 |

**Market Risk**

Market risk comprises two types of risk: price risk, interest rate risk and currency risk. The risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable

**Price risk**

Equity price risk is related to the change in market price of the investments in quoted equity securities. The value of the financial instruments is not material and accordingly any change in the value of these investments will not affect materially the profit or loss of the Company.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since, the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is very low. The Company has not used any interest rate derivatives.

The exposure of the Company to interest rate changes at the end of the reporting period are as under:

**Interest rate sensitivity**

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably

possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

**Foreing Exchange Risk**

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. Policy also includes mandatory initial hedging requirements for exposure

There is no Foreign currency exposure for the company as on 31st March 2021.

**Note 27(c) : Capital Management**

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **A) Net Debt** | | |
| Borrowings (Current and Non-Current) | 297.00 | 297.00 |
| Cash and cash equivalents | 7.21 | 129.54 |
| **Net Debt (A)** | **304.21** | **426.54** |
| | | |
| **B) Equity** | | |
| Equity share capital | 1,428.31 | 1,428.31 |
| Other Equity | (1,950.93) | (1,777.74) |
| **Total Equity (B)** | **(522.62)** | **(349.43)** |
| | | |
| **Gearing Ratio (Net Debt / Capital) i.e. (A / B)** | -58,21% | -122.07% |

**Note 27(d) : Contingent Liabilities not Provided for: (a)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Claims against Company not acknowledged as debt and pending before the Courts in Disputed ESIC Liabilities | 0.00 | 0.00 |
| **Total** | **0.00** | **0.00** |

**Note 27(e) : Capital and Other Commitments:**

(i) Capital Commitments

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Estimated value of Contracts in respect of Property, Plants and Equipments remaining to be Executed (Net of Capital Advances) | 0.00 | 0.00 |
| **Total** | **0.00** | **0.00** |

(ii) Other Commitments

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Co-Borrower for Loans taken by a Related Party | 0.00 | 0.00 |
| **Total** | **0.00** | **0.00** |

**Note 27(f): Employee Benefits:**
During the year, the provision for Gratuity and Leave Encashment created in earlier years has been written back in the books of accounts.

**Note 27(g) : Operating lease arrangements**
There are no operating lease arrangements as on 31.03.2021.

**Note 27(h) : Expenditure on Corporate Social Responsibility:**
Section 135 of the Companies Act provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the company to be Rs 500 crore or more; (b) turnover of the company to be Rs 1000 crore or more; (c) net profit of the company to be Rs 5 crore or more. Further as per the CSR Rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India CSR Committee and Policy:
Every qualifying company requires spending of at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities. Further, the qualifying company will be required to constitute a committee (CSR Committee) of the Board of Directors (Board) consisting of 3 or more directors. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board shall take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company. The company is not meeting the Threeshold limit specified under companies Act so CSR provision is not applicable

**Note 27(i)**
The National Company Tribunal ("NCLT"), Mumbai Bench, vide order dated 1st October 2019 ("Insolvency Commencement Order") has initiated corporate insolvency resolution process ("CIRP") based on petitions filed by Nityo Infotech Services Private Limited under section 9 of the Insolvency and bankruptcy Code, 2016 ("the code"). Mr. Neehal Pathan IP Registration No.: IBBI/IPA-001/IP-P01561/2018-19/12406 was appointed as interim resolution professional ("IRP") to manage the affairs of the Company in accordance with the provisions of code. In the first meeting of Committee of creditors held on 30th October 2019, Mr. Neehal Pathan had been confirmed as resolution professional ("RP/Resolution Professional") for the Company. Pursuant

to the Insolvency Commencement Order and in line with the provisions of the Code, the powers of the Board of Directors were suspended and the same were to be exercised by IRP/RP. By an order dated 16th October, 2020, NCLT has extended the CIRP for a further period of 90 days with effect from 16th October, 2020.

Since the Company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution professional.

- The management of the affairs of the company shall vest in the Resolution Professional.
- The powers of the Board of Directors of the company shall stand suspended and be exercised by the Resolution Professional.
- The officers and managers of the Company shall report to the Resolution Professional and provide access to such documents and records of the company as may be required by the Resolution Professional.

The financial institutions maintaining accounts of the company shall act on the instructions of the Resolution Professional in relation to such accounts and furnish all information relating to the company available with them to the Resolution Professional.

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 affected 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 was determined and accordingly accounting impact in provided the books of accounts in respect of excess, short, or non-receipts of claims for operational and financial creditors.

**Note 27(j) : Going Concern:**

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.

**Note 27(k): Related Party Disclosure: Nil**

**Note 27(l):**

The balance of Trade Payables, Trade Receivables, Loans and Advances, Current Liabilities, Borrowings from others etc. are considered as per books of account. The management has not sent direct confirmations to parties. In the opinion of the management, since the amount due to/ from these parties are fully payable/recoverable, no material difference is expected to arise at the time of settlement, requiring further accounting effect as on 31/03/2021.

**Note 27(m): Previous year regrouping:**

Previous year's figures have been regrouped / reclassed, where necessary, to confirm to current year's classification. This does not impact recognition and measurement principles followed for preparation of standalone financial statements.

For and on behalf of the Board of Directors

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| Vineet Govardhan Shah | Alyzaa Merchant |
| Managing Director | Director |
| DIN: 01761772 | DIN: 07164228 |
| **Sd/-** | **Sd/-** |
| Neehal Mahamulal Pathan | Meenakshi Ramandasani |
| Resolution Professional | Company Secretary |
| Reg. No.IBBI/IPA-001/IP-P/01561/2018-19/12406 | Membership No A47336 |

Place: Mumbai

Date: 14.08.2024