



THE YASH BIRLA GROUP

2014-2015

28th Annual Report

Melstar Information Technologies Limited



A Software Services Company

Business Philosophy

“To follow ethical and transparent business practices with all its customers, vendors and employees. Build long-term relationships based on mutual trust and benefits. Development of people and society in all countries where Melstar has its operations.”



Vision

“Create a World class I.T. Organization in terms of technology and people; providing outsourcing services in developing and supporting e-commerce solutions, software applications and business consulting.”

“Develop and deploy cutting-edge Products and Solutions catering to Financial Services and Technology Business.”

SEI: CMM Level - III Assessed

ISO-9001 : 2008 Certified

**Registered and Corporate Office**

Melstar House, G-4, M.I.D.C. Cross Road 'A', Andheri (East), Mumbai - 400 093

Tel . +91(22) 4056 6464 Fax : +91(22) 2831 0520

Email : info@melstar.com, Visit us at : www.melstar.com

Corporate Identity Number (CIN): L99999MH1986PLC040604

BOARD OF DIRECTORS

- Mrs. Kirti Tripathi Non-Executive Director (w.e.f. 30.03.2015)
- Mr. Ashish Mahendrakar Independent & Non-Executive Director (w.e.f. 01.07.2015)
- Mr. Rakesh Kumar Dixit Independent & Non-Executive Director (w.e.f. 01.07.2015)
- Mr. Laxmi Daga Independent & Non-Executive Director
(From 05.01.2015 to 14.08.2015)
- Mr. Vijay Mishra Managing Director (up to 02.07.2015)
- Mr. Vedant Birla Independent & Non-Executive Director
(From 11.03.2015 to 06.05.2015)
- Mr. Ramprakash Mishra Independent & Non-Executive Director (up to 05.03.2015)
- Mr. Rajesh Shah Independent & Non-Executive Director (up to 19.12.2014)
- Mr. Mohandas Adige Independent & Non-Executive Director (up to 19.12.2014)

Auditors

M/s Jaiprakash Upadhyay & Co.
Chartered Accountants
Mumbai

Bankers

Bank of India

Registrar & Share Transfer Agent

M/s. Bigshare Services Private Limited
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai-400 072
Ph: 022-40430200
Fax: 022-28475207

COMPANY SECRETARY

Mr. Vijay Modi

CHIEF FINANCIAL OFFICER

Mr. Anil S. Korpe

BRANCH OFFICE LOCATIONS**Bangalore**

335, Connection Point A-Block,
Mazzanine Floor, HAL-Airport Exit Road,
Bangalore - 560 017. India
Phone No. - 080 - 49390400

Chennai

2nd Floor, New No. 8,
Maharaja Surya Rao Road,
Alwarpet,
Chennai - 600 018. India
Phone No. 044-43487070

Hyderabad

JISHNU HOMES, 1st Floor,
Plot No. 8-2-269/19/S/A/102,
Beside L.V. Prasad Eye Hospital,
Road No. 2, Banjara Hills,
Hyderabad - 500 034. India
Phone No. - 6615 1111

Pune

402, Picasso Plaza, 4th Floor,
Kondhwa Main Road,
Pune - 411 048. India
Phone No. 020-49015557

Gurgaon

SCO - 18-19, Sector 14,
Gurgaon,
Haryana - 122 001 India
Phone : 0124-4080842/43/44

OVERSEAS SUBSIDIARY**Melstar Inc.**

33, Wood Avenue South,
Suite 600,
Iselin, New Jersey 08830
Tel. : 732-744-3399
Fax : 732-744-3400

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Notice

Notice is hereby given that the **28th Annual General Meeting** of the members of Melstar Information Technologies Limited will be held on **Tuesday, 29th September, 2015 at 10:00 A.M. at G-4, Melstar House M.I.D.C. Cross Road "A" Andheri (East) Mumbai-400093**, to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Jai Prakash Upadhayay & Co., Chartered Accountants (Registration No. 125073W), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."
3. To authorize the Board of Directors to appoint Branch Auditor, in consultation with the Statutory Auditors of the Company, for the existing overseas branch office in the US to act until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. As Ordinary Resolution: Appointment of **Mrs. Kirti Tripathi** As An Non-Executive Director.

RESOLVED THAT pursuant to Section 152 and any other applicable provisions of the Companies Act, 2013(the Act) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mrs. Kirti Tripathi (DIN 07140094)**, who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and who holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Non- Executive Director of the Company who shall be liable to retire by rotation.
5. As Ordinary Resolution: Appointment of **Mr. Rakesh Kumar Dixit** As Independent and Non-Executive Director.

"RESOLVED THAT pursuant to Section 149,152 and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act,2013, (the Act) **Mr. Rakesh Kumar Dixit (DIN 06655663)** who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the Office of director, be and is hereby appointed as an Independent and Non-Executive Director of the Company and shall hold office for a term of 5 years **w.e.f 29.09.2015.**"
6. As Ordinary Resolution: Appointment of **Mr. Ashish Mahendrakar** As Independent and Non-Executive Director.

"RESOLVED THAT pursuant to Section 149,152 and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act,2013, (the Act) **Mr. Ashish Ramesh Mahendrakar (DIN 03584695)** who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the Office of director, be and is hereby appointed as an Independent and Non-Executive Director of the Company and shall hold office for a term of 5 years **w.e.f 29.09.2015.**"

By Order of the Board of Directors

For Melstar Information Technologies Limited

Registered Office:

Melstar House
G-4, MIDC, Cross Road 'A',
Andheri (East),
Mumbai - 400 093.

Place: Mumbai,

Date: 14.08.2015

VIJAY MODI
COMPANY SECRETARY

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company (A copy of the proxy form is attached). The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Annual Report and AGM Notice is available at the website of the Company at www.melstar.com in the Investor Info section.

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4. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, the 22nd September, 2015 to Tuesday, the 29th September, 2015** (both days inclusive) for annual closing.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
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 voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on **Tuesday, the 22nd September, 2015**.
11. M/s P. Sanghani & Co. Chartered Accountant, Firm Registration No. 109096W are been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
12. The final results including the poll and 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 said results along with the scrutinizers report shall be placed on the Company's website www.melstar.com.
13. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility of remote e-voting (e-voting from a place other than venue of the AGM) to exercise their right to vote at the **28th AGM** on all the resolutions set forth in this Notice, through the e-voting services provided by National Securities Depository Limited (NSDL). The facility for voting through ballot/polling paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM through ballot/ polling paper. Members who have cast votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again at the AGM. Remote E-voting facility would remain open only from **Saturday the 26th September, 2015 (09.00 A.M.) to Monday the 28th September, 2015 (up to 5.00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Tuesday the 22nd September, 2015**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.

Voting through electronic means

- I. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :

- (i) Open email and open PDF file viz; "Melstar Information Technologies Limited e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "**Melstar Information Technologies Limited**".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to admin@capsanghani.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above , to cast vote.



- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **Tuesday the 22nd September, 2015**.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Tuesday the 22nd September, 2015**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or tushar@bigshareonline.com.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. M/s P.Sanghani & Co. Chartered Accountant, Firm Registration No. 109096W has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 3 (three) days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.melstar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India.

Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") The following Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice.

Item No.4:

The Board of Directors has pursuant to Section 161(1) of the Companies Act, 2013 appointed Mrs. Kirti Tripathi (DIN:07140094) as an Additional Director of the Company with effect from **30.03.2015** who holds office up to the ensuing Annual General Meeting and being eligible offers herself for appointment.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of appointment of Mrs. Kirti Tripathi for the office of Director of the Company.

The matter regarding appointment of Mrs. Kirti Tripathi as Non Executive Director was placed before the Nomination & Remuneration Committee, which commends her appointment as Non executive Director

A brief Profile of Mrs. Kirti Tripathi: Mrs. Kirti Tripathi Msc., B.ed. Total 15 years of experience as Co-coordinator and Principal, Trustee of Bhatgava Education Trust, Founder Member of Nirmal Hindu Viswavidyalaya Samiti U.P.

Mrs. Kirti Tripathi is concerned or interested in the resolution of the accompanying Notice relating to her own appointment. The Board of Directors recommends the said resolution for your approval.

Item No.5:

The Board Of Directors has pursuant to Section 161(1) of the Companies Act, 2013 appointed Mr. Rakesh Kumar Dixit (DIN 06655663) as an Additional Director of the Company with effect from **01.07.2015** who holds office up to the ensuing Annual General Meeting and being eligible offers himself for appointment.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of appointment of Mr. Rakesh Kumar Dixit for the office of Director of the Company.

Mr. Rakesh Kumar Dixit has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Rakesh Kumar Dixit as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Directors for a term of 5 years w.e.f 29.09.2015

In the opinion of the Board, Mr. Rakesh Kumar Dixit fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Rakesh Kumar Dixit as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Mr. Rakesh Kumar Dixit shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

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A brief Profile of: Mr. Rakesh Kumar Dixit B.Sc, B. Text, aged 58 years has 35 years of experience in the industry. He has worked as General Manager in various companies like M/s Century Yarn, R.T.M., Bedi Investment Ltd. He has also worked as Spinning Manager, Technical Manager and Technical Advisor.

Mr. Rakesh Kumar Dixit is concerned or interested in the resolution of the accompanying Notice relating to his own appointment.

The Board of Directors recommends the said resolution for your approval.

Item No.6:

The Board Of Directors has pursuant to Section 161(1) of the Companies Act, 2013 appointed Mr. Ashish Mahendrakar (DIN 03584695) as an Additional Director of the Company with effect from **01.07.2015** who holds office up to the ensuing Annual General Meeting and being eligible offers himself for appointment.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of appointment of Mr. Ashish Mahendrakar for the office of Director of the Company.

Mr. Ashish Mahendrakar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Ashish Mahendrakar as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Directors for a term of 5 years w.e.f 29.09.2015

In the opinion of the Board, Mr. Ashish Mahendrakar fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ashish Mahendrakar as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Mr. Ashish Mahendrakar shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief Profile of Mr. Ashish Ramesh Mahendrakar: Mr. Ashish Mahendrakar aged 44 years is B.Com, D.B.M., M.M.S.having 23 years of experience in the field of accounts, banking and finance.

Mr. Ashish Mahendrakar is concerned or interested in the resolution of the accompanying Notice relating to his own appointment. The Board of Directors recommends the said resolution for your approval.

For Melstar Information Technologies Limited

Place: Mumbai,
Date: 14.08.2015

VIJAY MODI
COMPANY SECRETARY



DIRECTORS' REPORT

To the Members, Your Directors have pleasure in presenting the **28th Annual Report** along with Audited Financial Statements for the year ended **31st March, 2015**.

1. FINANCIAL RESULTS:

(Rs. in Lakhs)

	2014-15	2013-14
Net Sales/ Income from Operations	2,236	1,823
Other Operating Income	20	37
Operating Profit (Loss) before interest and Depreciation (PBITDA)	141	(132)
Finance costs	137	92
Depreciation	71	82
Operating (Loss) before tax	(67)	(307)
Other Income, net	81	73
Net Profit (Loss) before tax and Exceptional Item	13	(233)
Exceptional Item	(179)	-
Net (Loss) before tax and after Exceptional Item	(165)	(233)
Provision for taxation	-	(7)
Net (Loss) after tax	(165)	(241)
Deficit Brought Forward From Previous Year	(467)	(226)
Less : Adjustment relating to Fixed Assets on application of Schedule II of the Companies Act, 2013	(28)	-
Balance carried to Balance Sheet	(660)	(467)
Face value of Equity Shares (in Rupees)	10	10
EPS - Basic and Diluted (Before Exceptional Item) (in Rupees)	0.09	(1.68)
EPS - Basic and Diluted (After Exceptional Item) (in Rupees)	(1.16)	(1.68)
Book value per Share (in Rupees)	5.45	6.81

2. OPERATIONS:

The total sales of the Company for the financial year ended on **31st March, 2015** were Rs.2236 Lakhs as against Rs.1823 Lakhs during the last financial year ended on **31st March, 2014**. Similarly the net Profit/ Loss before tax and Exceptional Item during the year was Rs. 13 Lakhs Profit and Rs.233 Lakhs Loss in the previous year.

The increase in sales and profit before tax and Exceptional item is on account of extending the market coverage by adding new customers, strengthening current business engagements with existing customers, addition in business/ service offerings such as Application Management System (AMS), Full Time Employment (FTE) and the cost reduction measures undertaken during the year.

The Consolidated Group sales stood at Rs.2236 Lakhs against Rs.1860 Lakhs during the preceding year. The net Profit/Loss before tax and Exceptional Item during the year was Rs. 12 Lakhs Profit as against Rs.236 Lakhs Loss in the previous year.

3. DIVIDEND:

In view of the current year loss and carried forward losses the Directors regret their inability to recommend any dividend to the Equity Shareholders of the Company for the year under review.

4. SUBSIDIARY COMPANY

As on 31st March, 2015 the Company has only one wholly-owned foreign subsidiary, viz. Melstar Inc., in U.S.A.

The operations of Melstar Inc. on standalone basis for the year under review are as under:

Particulars	2014-15		2013-14	
	Foreign currency	Indian Rs.	Foreign currency	Indian Rs.
Revenue	Nil	Nil	US\$ 64,680	Rs. 39 Lakhs
Profit After Tax	(US\$ 1274)	(Rs. 0.80 Lakhs)	US\$ 288	Rs. 0.17 Lakhs

Considering the present IT and ITES(IT enabled services) at USA and taking into the consideration all the related and relevant factors the Board of Director is contemplating to close the operation of the branch as well as the subsidiary.

The Company have placed separate audited accounts in respect of its subsidiary on its website and also provides a separate audited financial statement in respect of the above named subsidiary, to any shareholder of the company who ask for it.

5. FINANCIAL STATEMENTS OF SUBSIDIARY

A report on the performance and financial position of a subsidiary as per the Companies Act, 2013 is provided as **Annexure-A** to the consolidated financial statement and hence not repeated here for the sake of brevity.

6. EVENT SUSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

No major event has occurred subsequent to the date of Financial Statements.

7. CHANGE IN THE NATURE OF BUSINESS IF ANY:

There is no change in the nature of Business during the year under the review.

8. 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.

9. CORPORATE GOVERNANCE:

A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange(s) forms part of the Annual Report. Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid clause 49 forms part of the Annual Report.

10. EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 in Form **MGT-9** is annexed herewith as **ANNEXURE-I** to this Report.

11. NUMBER OF BOARD MEETING:

The Board of Directors met **6 (six)** times in the year, the details of which are provided in the Corporate Governance Report.

12. 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.

13. RELATED PARTY TRANSACTIONS:

No transactions were entered with related party during the year under review. 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. All related party transactions for the year are placed before the Audit Committee as well as before the Board for approval. The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee. 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.melstar.com/policy-on-related-party-transaction.html>. The detail of the transactions with Related Parties to be provided in **FORM AOC-2** is annexed herewith as **ANNEXURE-II**.

14. RISK MANAGEMENT:

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 properly defined framework.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

16. 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.

17. HUMAN RESOURCES:

Your Company treats its human resources as its important asset and believes in its contribution to the all round growth of your Company. Your Company takes steps, from time to time, to upgrade and enhance the quality of this asset and strives to maintain it in agile and responsive form. Your Company is an equal opportunity employer and practices fair employment policies. Your Company is confident that its Human Capital will effectively contribute to the long term value enhancement of the organization.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

18. 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')