

STARCOM INFORMATION TECHNOLOGY LIMITED

CIN No.: L67120KA1995PLC078846

Regd. Office : Sheriff Centre, 73/1, St Mark's Road, Bengaluru - 560 001

Extract of Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2020.

(Rs. In Lacs)


Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	Audited
1 Total Income from Operations (net)	142.31	287.31	541.63	1,029.88	1,507.29
2 Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(108.87)	1.04	4.39	(104.19)	14.78
3 Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(108.87)	1.04	4.39	(104.19)	14.78
4 Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(107.52)	0.75	4.41	(103.79)	13.90
5 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(103.44)	1.50	2.39	(97.44)	16.93
6 Equity Share Capital (Face Value Rs. 10/- per share)	500.06	500.06	500.06	500.06	500.06
7 Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of previous year	(251.46)	(251.46)	(268.39)	(251.46)	(268.39)
8 Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) (not annualised)					
a. Basic:	(2.15)	0.02	0.09	(2.08)	0.28
b. Diluted:	(2.15)	0.02	0.09	(2.08)	0.28

Notes:

The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly results is available on the Company's website at www.starcominfotech.com and the Stock Exchange websites at www.bseindia.com.

Date : 31st July, 2020
Place : Bengaluru

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098



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Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2020.

(Rs. in Lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited*	Unaudited	Audited*	Audited	Audited
1 Income from operations					
(a) Net sales / income from operations	113.02	264.67	519.75	932.26	1,404.11
(b) Other income	29.29	22.64	21.88	97.62	103.18
Total Income	142.31	287.31	541.63	1,029.88	1,507.29
2 Expenses					
(a) Purchases of stock-in-trade	6.76	27.34	96.13	160.03	315.01
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	12.55	(4.36)	8.09	2.05	6.40
(c) Other Direct Cost	6.06	35.56	139.31	56.56	139.31
(d) Rent (Refer note 5)	(83.12)	30.74	29.22	9.09	123.55
(e) Employee benefits expense	92.44	94.18	105.01	374.25	360.92
(f) Finance costs	25.33	26.71	26.17	105.12	94.71
(g) Depreciation and amortisation expense	12.19	11.67	12.74	47.62	51.23
(h) Provision for expected credit loss / bad debts	104.18	-	61.51	104.18	108.61
(i) Other expenses	74.80	64.43	59.05	275.18	292.77
Total expenses	251.18	286.27	537.23	1,134.07	1,492.51
3 Profit / (loss) before tax (1-2)	(108.87)	1.04	4.39	(104.19)	14.78
4 Tax expense					
(1) Current tax	(1.22)	0.27	1.14	-	3.84
(2) Deferred tax	(0.13)	0.02	(1.16)	(0.40)	(2.96)
5 Profit/(loss) after tax (3-4)	(107.52)	0.75	4.41	(103.79)	13.90
6 Other comprehensive income / (loss)					
Items that will not be reclassified to Profit or Loss					
- Remeasurement of post employment benefit obligation	5.51	1.02	(2.70)	8.58	4.09
- Income Tax on Above	(1.43)	(0.27)	0.69	(2.23)	(1.06)
Other Comprehensive Income/ (Loss)	4.08	0.75	(2.02)	6.35	3.03
7 Total Comprehensive Income / (loss)	(103.44)	1.50	2.39	(97.44)	16.93
8 Paid-up equity share capital (Face Value per share of Rs. 10/-)	500.06	500.06	500.06	500.06	500.06
9 Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of previous year	(251.46)	(251.46)	(268.39)	(251.46)	(268.39)
10 Earnings per share (Basic and Diluted) (Rs.)					
i) before extraordinary items (not annualised)	(2.15)	0.02	0.09	(2.08)	0.28
ii) after extraordinary items (not annualised)	(2.15)	0.02	0.09	(2.08)	0.28

* Refer note 3

For Starcom Information Technology Limited

[Signature]

Director



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Notes :

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31st July, 2020. These results have been audited by the statutory auditors of the Company.
- 2 The financial results have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 Figures for the quarter ended 31 March 2020 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end or the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
- 4 The Company have an overdue statutory dues as on 31st March, 2020 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 275.03 lacs (including interest of Rs. 99.28 lacs), Provident Fund / ESIC / Professional Tax of Rs. 150.38 lacs (including interest of Rs. 51.27 lacs) and Tax Deducted at Source of Rs. 470.57 lacs (including interest of Rs. 154.25 lacs). Though the Company has provided for interest up to 31st March, 2020 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. **The Auditor has given modified opinion in this regard.**
- 5 Since the Company is having stress in working capital finance and major funds are utilised in intangible assets under development, it has not able to pay Rs. 660.81 lacs (net of TDS) in respect of rent for the office premises for the period up to 31st March, 2019 which are owned by a promoter (Mr. Ziaulla Sheriff) jointly with his partner in other business. Considering the abovementioned facts and current Covid-19 pandemic situation, the management is hoping for waive off of the rent for the year and also requested to reduce the outstanding for earlier years to the extent possible. Accordingly, the management has reversed during the quarter, a rent provided up to the third quarter amounting to Rs. 85.39 lacs and have not provided a rent of Rs. 28.46 lacs for the quarter ended 31st March, 2020 (Rs. 113.95 lacs for the year ended 31st March, 2020). **The Auditor has given modified opinion in this regard.**
- 6 Since the first quarter of Calendar Year 2020, the Covid-19 pandemic has impacted most of the countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. The Company's business is expected to be impacted by lower revenues in the short to medium term. The impact of the Covid-19 pandemic on the financial statements remains uncertain and dependent on the spread of Covid-19, steps taken by the government to mitigate the economic impact, and the time it takes for economic activities to resume at normal levels. In preparation of these results, the Company has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern. Based on current indicators of future economic conditions, the Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets. Considering the evolving nature of the pandemic, its actual impact in future could be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

For Starcom Information Technology Limited


Director



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7 Figures of the previous period have been reclassified/ regrouped wherever necessary.

8 Segment information :

(Rs. In Lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited*	Unaudited	Audited*	Audited	Audited
1 Segment Revenue					
a. Test, Measurement & Embedded Solutions for Educational Sector	12.97	27.00	127.76	215.08	408.25
b. Data Quality, Statistical & Analytics Software's	100.06	237.67	391.99	717.19	995.86
Total	113.02	264.67	519.75	932.26	1,404.11
2 Segment Results					
a. Test, Measurement & Embedded Solutions for Educational Sector	1.42	2.31	23.54	24.78	86.84
b. Data Quality, Statistical & Analytics Software's	127.89	94.68	364.35	371.15	775.57
Total	129.31	96.99	387.89	395.93	862.40
Less :					
i) Finance costs	25.33	26.71	26.17	105.12	94.71
ii) Un-allocable expenses net off income	212.86	69.24	357.32	395.01	752.91
Total Profit / (Loss) before tax	(108.87)	1.04	4.39	(104.19)	14.78
Less: Tax Expenses	(1.35)	0.29	(0.02)	(0.40)	0.88
Net Profit / (Loss) after tax	(107.52)	0.75	4.41	(103.79)	13.90
3 Segment Assets					
a. Test, Measurement & Embedded Solutions for Educational Sector	55.35	137.31	227.66	55.35	227.66
b. Data Quality, Statistical & Analytics Software's	3,456.64	3,499.09	3,177.26	3,456.64	3,177.26
Unallocated	176.96	205.57	205.66	176.96	205.66
Total	3,688.95	3,841.96	3,610.58	3,688.95	3,610.58
4 Segment Liabilities					
a. Test, Measurement & Embedded Solutions for Educational Sector	90.07	110.92	187.63	90.07	187.63
b. Data Quality, Statistical & Analytics Software's	22.91	50.74	71.38	22.91	71.38
Unallocated	3,424.81	3,425.69	3,102.97	3,424.81	3,102.97
Total	3,537.79	3,587.35	3,361.98	3,537.79	3,361.98

* Refer note 3

Starcom Information Technology Limited

[Signature]
Director



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Statement of Assets and Liabilities

(Rs. In Lacs)

Particulars	As at	As at
	31.03.20	31.03.19
	(Audited)	(Audited)
A ASSETS		
<u>A) Non-current assets</u>		
a) Property, Plant and Equipment	15.80	20.82
b) Other Intangible Assets	278.05	319.84
c) Intangible Assets Under Developments	2,249.87	1,890.23
d) Financial Assets		
i) Other Financials Assets	48.50	48.61
e) Deferred Tax Assets	84.99	86.82
f) Other non-current assets	3.81	6.83
Total Non -current assets	2,681.03	2,373.16
<u>A) Current assets</u>		
a) Inventories	5.12	7.16
b) Financial Assets		
i) Trade receivables	953.00	1,161.75
ii) Cash and cash equivalents	1.23	29.54
iii) Other Bank Balances	2.43	2.06
iv) Others Financial Assets	24.22	24.62
c) Other current assets	21.92	17.28
Total Current assets	1,007.92	1,242.42
Total Assets	3,688.95	3,615.58
B EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share Capital	500.06	500.06
b) Other Equity	(348.90)	(251.46)
Total Equity	151.16	248.60
LIABILITIES		
A) Non-current liabilities		
a) Financial Liabilities		
i) Long-term borrowings	1,353.52	1,309.92
b) Other non current liabilities	20.74	106.71
c) Non- current provisions	74.69	64.28
Total Non-current liabilities	1,448.95	1,480.92
B) Current liabilities		
a) Financial Liabilities		
(i) Short term Borrowing	26.00	-
(ii) Trade payables	1,021.52	1,017.70
(iii) Other financials liabilities	13.80	11.77
b) Other current liabilities	1,018.09	843.17
c) Current provisions	8.83	7.40
d) Income tax liabilities (net)	0.60	6.02
Total current liabilities	2,088.84	1,886.07
TOTAL - EQUITY AND LIABILITIES	3,688.95	3,615.58

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 31st July, 2020
Place : Bengaluru



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Cash flow statement for the year ended 31st March, 2020

(Rs. In Lacs)

Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
Operating activities		
Profit / (Loss) before exceptional items and tax	(104.19)	14.78
Adjustments to reconcile profit before tax to net cash inflow from operating activities		
Finance Cost	96.62	87.59
Depreciation and amortisation expense	47.62	51.23
Interest Income	(89.11)	(100.82)
Remeasurement of defined benefit obligation	8.58	4.09
Provision for expected credit loss on trade receivables	104.14	40.98
Sundry Balance written off	0.03	67.63
Working capital adjustments:-		
(Increase) / Decrease in Inventories	2.05	6.40
(Increase) / Decrease in Trade Receivables	104.57	(320.33)
(Increase) / Decrease in Other Assets	(1.11)	162.01
Increase / (Decrease) in Trade Payables	3.81	143.12
Increase / (Decrease) in Provisions	11.84	8.20
Increase / (Decrease) in Other Liabilities	174.92	190.34
	359.79	355.22
Income taxes refund / (paid)	(5.43)	(7.59)
Net cash flow from operating activities	354.36	347.63
Investing activities		
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	(360.44)	(391.31)
Fixed deposits	(0.37)	(0.21)
Interest Income	3.14	17.51
Net cash flow used in investing activities	(357.67)	(374.01)
Financing activities		
Proceeds form / (Repayment) of Long term Borrowings (Net)	(44.27)	50.80
Proceeds form / (Repayment) of Short term Borrowings (Net)	26.00	-
Interest expense	(6.73)	(4.28)
Net cash flow from financing activities	(25.00)	46.52
Increase in cash and cash equivalents	(28.31)	20.14
Cash and cash equivalents at the beginning of the year	29.54	9.39
Cash and cash equivalents at the end of the year	1.23	29.54

For and on behalf of the Board



Mr. Ziaulla Sheriff

Director

DIN - 00002098

Date : 31st July, 2020

Place : Bengaluru

