

STARCOM INFORMATION TECHNOLOGY LIMITED

CIN No.: L67120KA1995PLC078846

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

Phone: 91 80 2227 8283/ 2227 1797 | Fax : +91 80 222278131

Email : info@starcominfotech.com | Website: www.starcominfotech.com

Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2022.

(Rs. In Lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Audited	Unaudited	Audited	Audited	Audited
1 Income from operations					
(a) Net sales / income from operations	241.48	27.55	86.46	353.12	564.10
(b) Other income	0.13	0.27	22.13	9.43	86.66
Total Income	241.61	27.81	108.59	362.55	650.76
2 Expenses					
(a) Purchases of stock-in-trade	43.78	8.65	41.75	65.48	127.62
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1.19)	0.63	0.77	(0.14)	(0.48)
(c) Employee benefits expense	107.98	98.79	62.04	372.59	287.90
(d) Finance costs	14.26	11.22	49.88	51.43	129.90
(e) Depreciation and amortisation expense	10.90	11.14	11.27	44.20	45.29
(f) Provision for expected credit loss / bad debts	70.01	32.03	34.20	182.23	34.20
(g) Other expenses	63.10	54.75	69.77	224.52	267.05
Total expenses	308.84	217.21	269.67	940.31	891.48
3 Profit / (loss) before tax (1-2)	(67.23)	(189.39)	(161.07)	(577.76)	(240.72)
4 Tax expense					
(1) Current tax	-	-	-	-	-
(2) Deferred tax	(14.43)	(6.53)	13.31	(45.49)	11.62
5 Profit/(loss) after tax (3-4)	(52.79)	(182.86)	(174.39)	(532.26)	(252.34)
6 Other comprehensive income / (loss)					
Items that will not be reclassified to Profit or Loss					
- Remeasurement of post employment benefit obligation	5.88	2.66	36.01	13.84	42.44
- Income Tax on Above	(1.53)	(0.69)	(9.36)	(3.60)	(11.04)
Other Comprehensive Income/ (Loss)	4.35	1.97	26.64	10.24	31.41
7 Total Comprehensive Income /(loss)	(48.44)	(180.89)	(147.74)	(522.02)	(220.93)
8 Paid-up equity share capital (Face Value per share of Rs. 10/-)	500.06	500.06	500.06	500.06	500.06
9 Other Equity (excluding Revaluation Reserve)				(1,091.85)	(569.83)
10 Earnings per share (Basic and Diluted) (Rs.)					
i) before extraordinary items (not annualised)	(1.06)	(3.66)	(3.49)	(10.64)	(5.05)
ii) after extraordinary items (not annualised)	(1.06)	(3.66)	(3.49)	(10.64)	(5.05)

For Starcom Information Technology Limited

Director



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11 Segment information :

(Rs. In Lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Audited	Unaudited	Audited	Audited	Audited
1 Segment Revenue					
a. Test, Measurement & Embedded Solutions for Educational Sector	37.77	4.65	51.41	53.72	186.34
b. Data Quality, Statistical & Analytics Software's	203.72	22.90	35.05	299.41	377.76
Total	241.48	27.55	86.46	353.12	564.10
2 Segment Results					
a. Test, Measurement & Embedded Solutions for Educational Sector	8.81	0.56	14.49	11.69	20.57
b. Data Quality, Statistical & Analytics Software's	113.55	4.15	30.09	139.30	154.43
Total	122.36	4.71	44.58	150.99	175.01
Less :					
i) Finance costs	14.26	11.22	49.88	51.43	129.90
ii) Un-allocable expenses net off income	175.32	182.88	155.77	677.31	285.83
Total Profit / (Loss) before tax	(67.23)	(189.39)	(161.08)	(577.76)	(240.72)
Less: Tax Expenses	(14.43)	(6.53)	13.31	(45.49)	11.62
Net Profit / (Loss) after tax	(52.79)	(182.86)	(174.39)	(532.26)	(252.34)
3 Segment Assets					
a. Test, Measurement & Embedded Solutions for Educational Sector	109.56	28.69	58.59	109.56	58.59
b. Data Quality, Statistical & Analytics Software's	3,224.16	3,242.45	3,494.86	3,224.16	3,494.86
Unallocated	210.20	191.74	157.36	210.20	157.36
Total	3,543.92	3,462.88	3,710.81	3,543.92	3,710.81
4 Segment Liabilities					
a. Test, Measurement & Embedded Solutions for Educational Sector	29.04	21.64	38.31	29.04	38.31
b. Data Quality, Statistical & Analytics Software's	92.51	23.78	90.18	92.51	90.18
Unallocated	4,014.16	3,960.81	3,652.09	4,014.16	3,652.09
Total	4,135.71	4,006.23	3,780.59	4,135.71	3,780.59

For and on behalf of the Board,



Mr. Ziaulla Sheriff

Director

DIN - 00002098

Date : 30th May, 2022

Place : Bengaluru



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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 30th May, 2022.
- 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 The figures of the last quarters ended on 31st March, 2021 and 31st March, 2022 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures up to the third quarter of the relevant financial years.
- 4 The Company have an overdue statutory dues as on 31st March, 2022 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 265.33 lacs (including interest of Rs. 127.84 lacs), Provident Fund / ESIC / Professional Tax of Rs. 199.38 lacs (including interest of Rs. 89.83 lacs) and Tax Deducted at Source of Rs. 684.16 lacs (including interest of Rs. 310.95 lacs). Though the Company has provided for interest up to 31st March, 2022 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. **The Auditor has given modified observations 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 not provided a rent from 1st April, 2019 to 31st March, 2022 amounting to Rs. 341.52 lacs (including Rs. 28.46 lacs and Rs. 113.84 lacs for the quarter and year ended 31st March 2022). **The Auditor has given modified observations in this regard.**
- 6 The Company is developing a Software related to Business Intelligence and Data Quality Solutions since long time of which carrying value as at 31st March, 2022 is Rs. 2431.02 lacs as Intangible Assets under Development. The management believes that the expected future economic benefits that are attributable to the asset will flow to the Company. **The Auditor has given modified observations in this regard.**
- 7 The company has incurred cash losses and its net worth is fully eroded. Further the Company's Current liabilities exceeds its current assets as at the date of the Balance sheet. The Management is pursuing the prospective investors to meet its working capital requirements and is of the opinion that the operations of the Company will make profits in future. Accordingly, the financial statements have been prepared on a going concern basis.
- 8 Considering the financial year was affected partly by the COVID Pandemic, where Educational Institutions were closed for the better part of the year in the target segment, purchases had been deferred due to the slow rate of sales as businesses were cautiously restarting, thus resulting in loss of business of more than 6 months. Most of the products of Starcom are only used in the labs for hands on implementations of applications & experiments, which were not possible as labs were closed the better part of the year and were working in a hybrid form. Other Revenue line of services in defence establishment were also affected due to the slow come back trail. Not only the defence labs operated with minimum staff, globally service chains were reviving and at a slow pace . Due to which projects were not completed & revenue generation has been deferred. Many Research & Development establishments were downsized with a spending crunch & unfavourable sentiments, resulted in loss of revenue. The Management is hopeful for a come back once the target segment demand picks up, by leveraging all the open opportunities & converting them into revenue. We also were affected by the high attrition faced by the IT Industry, many of our key members moved on. In this phase we were also critically involved in the team building activities.. According to the Management, the Company's negative growth for this period, should be treated in the light of businesses coming back
- 9 Though the company has incurred losses during the current quarter and previous year, the Company has recognised deferred tax asset amounting to Rs. 104.23 lacs as at 31st March, 2022 as management believes that the Company will generate sufficient profits in near future to realise the same. **The Auditor has given modified observations in this regard.**
- 10 Figures of the previous period have been reclassified/ regrouped wherever necessary.

For Starcom Information Technology Limited



Director



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, 2022.**(Rs. In Lacs)**

Particulars	Quarter Ended			Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Audited	Unaudited	Audited	Audited	Audited
1 Total Income from Operations (net)	241.61	27.81	108.59	362.55	650.76
2 Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(67.23)	(189.39)	(161.07)	(577.76)	(240.72)
3 Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(67.23)	(189.39)	(161.07)	(577.76)	(240.72)
4 Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(52.79)	(182.86)	(174.39)	(532.26)	(252.34)
5 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(48.44)	(180.89)	(147.74)	(522.02)	(220.93)
6 Equity Share Capital (Face Value Rs. 10/- per share)	500.06	500.06	500.06	500.06	500.06
7 Other equity (excluding Revaluation Reserve)	-	-	-	(1,091.85)	(569.83)
8 Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) (not annualised)					
a. Basic:	(1.06)	(3.66)	(3.49)	(10.64)	(5.05)
b. Diluted:	(1.06)	(3.66)	(3.49)	(10.64)	(5.05)

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.

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 30th May, 2022
Place : Bengaluru



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Statement of Assets and Liabilities

(Rs. In Lacs)

Particulars	As at	As at
	31.03.2022	31.03.2021
	(Audited)	(Audited)
A ASSETS		
<u>A) Non-current assets</u>		
a) Property, Plant and Equipment	10.61	12.67
b) Other Intangible Assets	194.13	236.27
c) Intangible Assets Under Developments (Refer note 6)	2,431.03	2,431.03
d) Financial Assets		
Other Financials Assets	56.22	57.29
e) Deferred Tax Assets	104.23	62.33
f) Other non-current assets	10.88	10.88
g) Income Tax Assets (Net)	16.54	15.77
Total Non-current assets	2,823.63	2,826.24
<u>A) Current assets</u>		
a) Inventories	5.73	5.59
b) Financial Assets		
i) Trade receivables	685.31	854.93
ii) Cash and cash equivalents	7.12	6.12
iii) Other Bank Balances	0.54	0.56
iv) Others Financial Assets	15.58	17.04
c) Other current assets	6.01	0.34
Total Current assets	720.29	884.57
Total Assets	3,543.92	3,710.81
B EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share Capital	500.06	500.06
b) Other Equity	(1,091.85)	(569.83)
Total Equity	(591.79)	(69.77)
LIABILITIES		
A) Non-current liabilities		
a) Financial Liabilities		
Long-term borrowings	-	1,443.43
b) Other non current liabilities	10.27	20.74
c) Non-current provisions	42.61	51.59
Total Non-current liabilities	52.88	1,515.76
B) Current liabilities		
a) Financial Liabilities		
(i) Short term Borrowing	1,850.11	272.89
(ii) Trade payables	861.15	826.88
(iii) Other financial liabilities	1,356.69	1,143.58
b) Other current liabilities	11.90	17.14
c) Current provisions	2.98	4.32
Total current liabilities	4,082.83	2,264.83
TOTAL - EQUITY AND LIABILITIES	3,543.92	3,710.81

For and on behalf of the Board



 Mr. Ziaulla Sheriff
 Director
 DIN - 00002098


Date : 30th May, 2022

Place : Bengaluru

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Cash flow statement for the year ended 31st March, 2022**(Rs. In Lacs)**

Particulars	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Operating activities		
Profit / (Loss) before exceptional items and tax	(577.76)	(240.72)
Adjustments to reconcile profit before tax to net cash inflow from operating activities		
Finance Cost	51.43	100.48
Depreciation and amortisation expense	44.20	45.29
Interest Income	(9.43)	(86.56)
Remeasurement of defined benefit obligation	13.84	42.44
Provision for expected credit loss on trade receivables	182.23	34.20
Working capital adjustments:-		
(Increase) / Decrease in Inventories	(0.14)	(0.48)
(Increase) / Decrease in Trade Receivables	(12.61)	57.13
(Increase) / Decrease in Other Assets	(3.13)	14.07
Increase / (Decrease) in Trade Payables	34.26	(23.51)
Increase / (Decrease) in Provisions	(10.33)	(27.60)
Increase / (Decrease) in Other Liabilities	206.36	(6.49)
	(81.07)	(91.76)
Income taxes refund / (paid)	(0.77)	(18.66)
Net cash flow from operating activities	(81.84)	(110.41)
Investing activities		
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	-	(181.52)
Fixed deposits	0.02	1.87
Interest Income	0.47	0.83
Net cash flow used in investing activities	0.48	(178.82)
Financing activities		
Proceeds form Borrowings (Net)	133.79	298.41
Interest expense	(51.43)	(4.29)
Net cash flow from financing activities	82.36	294.13
Increase in cash and cash equivalents	1.00	4.89
Cash and cash equivalents at the beginning of the year	6.12	1.23
Cash and cash equivalents at the end of the year	7.12	6.12

For and on behalf of the Board



Mr. Ziulla Sheriff
Director
DIN - 00002098

Date : 30th May, 2022
Place : Bengaluru

