

STARCOM INFORMATION TECHNOLOGY LIMITED

CIN No.: L67120KA1995PLC078846

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

Extract of Statement of Unaudited Financial Results for the Quarter Ended 30th June, 2022.**(Rs. In Lacs)**

Particulars	Quarter Ended			Year ended
	30.06.2022	31.03.2022	31.03.2021	31.03.2022
	Unaudited	Audited	Unaudited	Audited
1 Total Income from Operations (net)	48.35	241.61	42.57	362.55
2 Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(139.46)	(67.23)	(132.81)	(577.76)
3 Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(139.46)	(67.23)	(132.81)	(577.76)
4 Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(131.12)	(52.79)	(118.80)	(532.26)
5 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(128.55)	(48.44)	(116.84)	(522.02)
6 Equity Share Capital (Face Value Rs. 10/- per share)	500.06	500.06	500.06	500.06
7 Other equity (excluding Revaluation Reserve)				(1,091.85)
8 Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) (not annualised)				
a. Basic:	(2.62)	(1.06)	(2.38)	(10.64)
b. Diluted:	(2.62)	(1.06)	(2.38)	(10.64)

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 : 13th August, 2022**
Place : Bengaluru

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Statement of Unaudited Financial Results for the Quarter Ended 30th June, 2022.
(Rs. In Lacs)

Particulars	Quarter Ended			Year Ended	
	30.06.2022	31.03.2022	30.06.2021	31.03.2022	
	Unaudited	Audited	Unaudited	Audited	
1 Income from operations					
(a) Net sales / income from operations	46.11	241.48	37.68	353.12	
(b) Other income	2.24	0.13	4.88	9.43	
Total Income	48.35	241.61	42.57	362.55	
2 Expenses					
(a) Purchases of stock-in-trade	23.84	43.78	-	65.48	
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(10.87)	(1.19)	0.22	(0.14)	
(e) Employee benefits expense	84.59	107.98	60.97	372.59	
(f) Finance costs	12.24	14.26	13.04	51.43	
(g) Depreciation and amortisation expense	10.84	10.90	11.02	44.20	
(h) Provision for expected credit loss / bad debts	17.17	70.01	46.80	182.23	
(i) Other expenses	50.01	63.10	43.32	224.52	
Total expenses	187.81	308.84	175.38	940.31	
3 Profit / (loss) before tax (1-2)	(139.46)	(67.23)	(132.81)	(577.76)	
4 Tax expense					
(1) Current tax	-	-	-	-	
(2) Deferred tax	(8.35)	(14.43)	(14.01)	(45.49)	
5 Profit/(loss) after tax (3-4)	(131.12)	(52.79)	(118.80)	(532.26)	
6 Other comprehensive income / (loss)					
Items that will not be reclassified to Profit or Loss					
- Remeasurement of post employment benefit obligation	3.46	5.88	2.65	13.84	
- Income Tax on Above	(0.90)	(1.53)	(0.69)	(3.60)	
Other Comprehensive Income/ (Loss)	2.56	4.35	1.96	10.24	
7 Total Comprehensive Income / (loss)	(128.55)	(48.44)	(116.84)	(522.02)	
8 Paid-up equity share capital (Face Value per share of Rs. 10/-)	500.06	500.06	500.06	500.06	
9 Other Equity (excluding Revaluation Reserve)				(1,091.85)	
10 Earnings per share (Basic and Diluted) (Rs.)					
i) before extraordinary items (not annualised)	(2.62)	(1.06)	(2.38)	(10.64)	
ii) after extraordinary items (not annualised)	(2.62)	(1.06)	(2.38)	(10.64)	

For Starcom Information Technology Limited



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 13th August, 2022. and have undergone "Limited Review" by the statutory auditor 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 The figures of the last quarter ended on 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 ended December 31, 2021.
- 4 The Company have an overdue statutory dues as on 30th June, 2022 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 266.23 lacs (including interest of Rs. 131.78 lacs), Provident Fund / ESIC / Professional Tax of Rs. 207.11 lacs (including interest of Rs. 95.11 lacs) and Tax Deducted at Source of Rs. 712.91 lacs (including interest of Rs. 317.57 lacs). Though the Company has provided for interest up to 30th June, 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 30th June, 2022 amounting to Rs. 369.98 lacs (including Rs. 28.46 lacs for the quarter ended 30th June, 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 30th June, 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 previous financial years were 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 6-12 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. 111.67 lacs as at 30th June, 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



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11 Segment information :**(Rs. In Lacs)**

Particulars	Quarter Ended			
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
	Unaudited	Audited	Unaudited	Audited
1 Segment Revenue				
a. Test, Measurement & Embedded Solutions for Educational Sector	23.27	37.77	0.46	53.72
b. Data Quality, Statistical & Analytics Software's	22.84	203.72	37.22	299.41
Total	46.11	241.48	37.68	353.12
2 Segment Results				
a. Test, Measurement & Embedded Solutions for Educational Sector	11.11	8.81	0.24	11.69
b. Data Quality, Statistical & Analytics Software's	11.42	113.55	11.25	139.30
Total	22.53	122.36	11.49	150.99
Less :				
i) Finance costs	12.24	14.26	13.04	51.43
ii) Un-allocable expenses net off income	149.75	175.33	131.27	677.31
Total Profit / (Loss) before tax	(139.46)	(67.23)	(132.81)	(577.76)
Less: Tax Expenses	(8.35)	(14.43)	(14.01)	(45.49)
Net Profit / (Loss) after tax	(131.12)	(52.79)	(118.80)	(532.26)
3 Segment Assets				
a. Test, Measurement & Embedded Solutions for Educational Sector	107.99	109.56	51.28	109.56
b. Data Quality, Statistical & Analytics Software's	3,196.83	3,224.16	3,400.26	3,224.16
Unallocated	214.72	210.20	174.64	210.20
Total	3,519.55	3,543.92	3,626.18	3,543.92
4 Segment Liabilities				
a. Test, Measurement & Embedded Solutions for Educational Sector	66.87	29.04	22.42	29.04
b. Data Quality, Statistical & Analytics Software's	7.13	92.51	10.26	92.51
Unallocated	4,165.89	4,014.16	3,780.11	4,014.16
Total	4,239.89	4,135.71	3,812.79	4,135.71

For and on behalf of the Board



Date : 13th August, 2022

Place : Bengaluru

Mr. Ziaulla Sheriff

Director

DIN - 00002098

