

**STARCOM INFORMATION TECHNOLOGY LIMITED**

**17<sup>TH</sup> ANNUAL REPORT**  
**2011-2012**



**Board of Directors:**

	<b>Present Directors</b> (w.e.f. 12 <sup>th</sup> August 2011)
Mr. Ziaulla Sheriff	- Chairman & Managing Director
Mr. Mohan Kumar Maddur Gundurao	- Non Executive & Professional Director
Mr. Laxminarayan Krishnacharya Purohit	- Non Executive & Professional Director

	<b>Resigned Directors</b>
Mr. Mahesh Saraf	- Managing Director (On 19 <sup>th</sup> August 2011)
Mr. Yogesh Singhanian	- Independent Director (On 12 <sup>th</sup> August 2011)
Mr. Pramod Kumar Sanganageria	- Independent Director (On 12 <sup>th</sup> August 2011)

**Registered Office:**

43, Great Western Bldg., (Opp. Lion Gate)  
N. M. Street Extn, Fort, Mumbai- 400023

**Auditors:**

M/s. Singrodia Goyal & Co.,  
Chartered Accountants

**Bankers:**

Kotak Mahindra Bank Ltd.  
J & K Bank Ltd.  
HDFC Bank Ltd.

**Registrar & Share Transfer Agent:**

Purva Sharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel (East),  
Mumbai - 400 011

Sharex Dynamic (India) Pvt. Ltd.  
(w.e.f. 1<sup>st</sup> October 2012)  
Unit- 1, Luthra Ind. Premises,  
Andheri-Kurla Rd., Safed Pool, Andheri (E),  
Mumbai – 400 072

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## NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of STARCOM INFORMATION TECHNOLOGY LIMITED will be held on Tuesday, 25<sup>th</sup> September 2012 at 11.00 a.m. at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6<sup>th</sup> Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012 and the Profit and Loss Account (Statement of Profit and Loss) for the year ended as on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mohankumar Gundurao, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modifications(s), the following resolution as a **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of sub-section (1) of Section 163 of the Companies Act, 1956 (the "Act") the consent of the Company is hereby accorded to the Register and Index of Members and copies of Annual Return prepared under Section 159 and 161 of the Act together with the copies of the certificates and documents required to be annexed thereto being kept, with effect from 1<sup>st</sup> October 2012, at the office of the Company's Registrar and Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd., Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072 instead of being kept at the registered office of the Company."

### **NOTES:**

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 15<sup>th</sup> September 2012 to Tuesday, 25<sup>th</sup> September 2012 (both days inclusive).
3. Members are requested to notify the changes, if any, in their address to the Company's Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. (w.e.f. 1st October 2012) immediately, in respect of their physical shares if any, quoting their folio numbers and to their Depository Participants (DPs) in respect of their electronic share accounts.
4. Members/ proxies are requested to bring their copies of Annual Report at the Annual General Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. Members are requested to send all share transfer lodgments (Physical mode)/ correspondence to the Registrar and Share Transfer Agent at the following address unto the date of book closure:  
Purva Sharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel (East),  
Mumbai - 400 011
7. The Members are requested to dematerialize their shareholdings to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrars and Transfer Agents.
8. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.
9. Members/Proxies should bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members holding shares in same / identical name(s) under different folios are requested to apply for consolidation of such folio and relevant share certificate.

12. Members who hold shares in electronic 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 to facilitate identification of membership at the meeting.
13. Members desiring any information as regards the accounts are requested to write to the Company atleast 7 days before the date of the meeting, so as to enable the management to keep the information ready.
14. The Equity Shares of the Company are listed at BSE Limited and Ahmedabad Stock Exchange Limited and the Company has paid requisite annual listing fees for the year 2012-2013 to the Exchanges.
15. Mr. Mohankumar Gundurao is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Pursuant to clause 49 of the listing agreement relating to the Corporate Governance, the particulars of aforesaid Director is given below:

Name of Director	Mr. Mohankumar Maddur Gundurao
Date of Birth	3 <sup>rd</sup> March 1957
Nationality	Indian
Date of appointment on Board	12 <sup>th</sup> August 2011
Qualification	B.Sc, LL.B, F.C.A, Licentiate ICSI
List of Directorships held in other Companies	Bonanza Investments Limited, The South India Paper Mills Limited, Deepak Cables (India) Limited, Graham Firth Steel Products (India) Limited, Aerospace Infrastructure Limited, Deccan Charters Limited, I - Assure Info Solutions Private Limited, Dhruva Investment Advisers Private Limited, Adinya Technologies Private Limited, Vanijya Advisory Services Private Limited, Indiaonline Express Private Limited, American Road Technology & Solutions Private Limited
Committee membership	The South India Paper Mills Limited (Audit and Remuneration Committee)

16. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, setting out material facts relating to the business at Item no. 4 of the Notice as set out above is annexed hereto.
17. The Ministry of Corporate Affairs ('MCA') has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies. The Company shall use the e-mail addresses of the Members obtained from the Depositories / Depository Participants/ available with the Company's Registrar & Share Transfer Agents- Sharex Dynamic (India) Pvt. Ltd. (w.e.f. 1<sup>st</sup> October 2012) ('R & TA') to send all future Members' communications like notices, the Company's Annual Report etc. through electronic mode. In case the Members have not furnished their e-mail addresses, they are requested to furnish the same to their Depository Participants. Members are requested to notify immediately of any change of address, e-mail address, bank account details:
- (i) to their Depository Participants (DPs) in respect of their shareholdings in electronic (demat) form and
  - (ii) to the Company's Registrar & Share Transfer Agents in respect of their shareholdings in physical form, if any, quoting their folio numbers -
    - a) Purva Sharegistry (India) Private Limited  
Unit:- Starcom Information Technology Limited, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400 011., Phone : 022.667.53616, Fax : 022.667.53616;.
    - b) Sharex Dynamic (India) Pvt. Ltd. (w.e.f. 1<sup>st</sup> October 2012)  
Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072

**By Order of the Board of Directors  
Starcom Information Technology Limited**

**Ziaulla Sheriff  
Chairman & Managing Director**

**Bangalore, 21<sup>st</sup> August 2012**

**Regd. Office:**

43, Great Western Bldg., (Opp. Lion Gate)  
N. M. Street Extn, Fort, Mumbai- 400023

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

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**Item No. 4:**

The Board of Directors of the Company had at their meeting held on 21<sup>st</sup> August 2012 decided to appoint Sharex Dynamic (India) Pvt. Ltd., as Registrar and Share Transfer Agent of the Company with effect from 1<sup>st</sup> October 2012. For administrative convenience it is therefore proposed, from the above referred date, to keep the Register of Members, Index of Members and copies of Annual Return and other related documents prepared and maintained by the Company under Section 159 and 161 of the Companies Act, 1956 at the office of the Company's Registrar and Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. situated at Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072 instead of at registered office of the Company.

In terms of Section 163 of the Companies Act, 1956 the Register of Members and the other documents mentioned above are required to be kept at the Registered Office of the Company and instead of being kept at the Company's Registered Office be kept at any other place in the city in which, the Registered Office of the Company is situated, if approved by the shareholders in the General Meeting by way of special resolution and if the copy of the proposed special resolution is given in advance to the Registrar of Companies.

Consequently in compliance with Section 163 of the Companies Act, 1956 the special resolution set out in item no.4 of the accompanying notice which propose that with effect from 1<sup>st</sup> October 2012, the Register of Members, Index of Members and copies of Annual Return and other related documents prepared and maintained by the Company under Section 159 and 161 of the Companies Act, 1956 be kept at the offices of the Company's Registrar and Share Transfer Agent is placed before the shareholders for their approval. A copy of the proposed special resolution set out in item no.4 of the accompanying notice has been given in advance to the Registrar of the Companies, Maharashtra, Mumbai.

None of the Directors of the Company are concerned or interested in the said resolution.

**By Order of the Board of Directors  
Starcom Information Technology Limited**

**Ziaulla Sheriff  
Chairman & Managing Director**

**Bangalore, 21<sup>st</sup> August 2012**

**Regd. Office:**

43, Great Western Bldg., (Opp. Lion Gate)  
N. M. Street Extn, Fort, Mumbai- 400023

## DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure in presenting the Seventeenth Annual Report of your Company together with the audited statements of accounts for the year ended 31<sup>st</sup> March 2012.

(in Rs.)

Financial Results	For the year ended 31 <sup>st</sup> March 2012	For the year ended 31 <sup>st</sup> March 2011
Income	4,407,740	4,006,842
Expenditure	1,043,339	1,145,754
Profit/ (Loss) before Taxation	<b>3,364,401</b>	<b>2,861,088</b>
Less: Provision for Taxation	749,046	516,102
Net Profit after taxation	<b>2,615,355</b>	<b>2,344,986</b>

### OPERATIONS & PROSPECTS:

The operations of the Company have not been commenced. After taking over the Company, the new management is in talks with various companies and exploring the opportunities for joint venture and collaborations. The discussions for strategic alliances are at an advanced stage with two companies from United States and Germany. Your management is hopeful that the discussions will materialize and the operations of the Company will begin full fledged in the current financial year.

### DIVIDEND:

In view of setting up new business opportunities and to conserve resources for future growth of the Company, your Directors do not recommend any dividend for the year under review.

### CHANGE IN MANAGEMENT CONTROL:

Post the Letter of Offer dated May 30, 2011 ("LOO") and Corrigendum to PA which appeared on June 03, 2011 ("CPA"), pursuant to Regulations 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, to acquire up to 10,00,120 fully paid equity/ voting share capital representing 20% of the equity/ voting share capital of the Target Company at a price of Rs. 20.50 per fully paid equity share of Rs. 10/-each, payable in cash ("Offer"). However the actual acquisition was of 8,76,175 Equity Shares through open offer in addition to the 3,56,0280 equity shares already acquired through open offer made in February 2011. The Total shareholding holding of the promoter after post offer is 44,36,455 Equity Shares, Rs.10/- each fully paid up, representing 88.72% voting capital of the Company.

### DIRECTORS:

During the year under review, Mr. Ziaulla Sheriff, Promoter of the Company, Mr. Mohan Kumar Maddur Gundurao and Mr. Laxminarayan Krishnacharya Purohit were appointed as Additional Directors of the Company w.e.f. 12<sup>th</sup> August 2011. Subsequently in the previous Annual General Meeting held on 2<sup>nd</sup> November 2011, the members appointed Mr. Ziaulla Sheriff, Promoter of the Company, Mr. Mohan Kumar Maddur Gundurao and Mr. Laxminarayan Krishnacharya Purohit as Directors of the Company. Mr. Ziaulla Sheriff has been appointed as the Chairman and Managing Director of the Company w.e.f. 12<sup>th</sup> August 2011 for a period of 5 years.

Mr. Yogesh Singhania and Mr. Pramod Kumar Sanganageria have resigned as Directors w.e.f. 12<sup>th</sup> August 2011 and Mr. Mahesh Saraf has resigned as Director w.e.f. 19<sup>th</sup> August 2011.

Mr. Mohankumar Gundurao, Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. The resolution for his reappointment as Director is recommended for shareholders approval.

The Board of Directors has received Forms DDA from all the Directors informing that they are not disqualified under Section 274(1)(g) of the Companies Act, 1956.

The management has identified the Independent Directors. They shall join the Board as soon as the operations commence.

**REGISTERED OFFICE AND SOFTWARE DEVELOPMENT CENTER:**

During the year under review, the registered office of the Company was shifted from “315, Corporate Avenue, Sonawala Road, Goregaon (E), Mumbai- 400063” to “43, Great Western Bldg., (Opp. Lion Gate), N. M. Street Extn, Fort, Mumbai- 400023” in view of change in management.

In view of the future business opportunities available in the city of Bengaluru, the management has acquired office premises on long lease basis. The new office premises is spread over 12000 sq. ft. and has the capacity of accommodating over 150 software developers and administrative staff. The estimated total capital outlay for furnishing the office will be Rs.2.5 crores.

**FIXED DEPOSITS:**

The Company has not accepted any fixed deposits from the public during the year under review.

**PARTICULARS OF EMPLOYEES:**

Pursuant to Section 217(2A) of the Companies Act, 1956, the Directors have to inform that there was no such employee covered under the section.

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

The information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

**A. Conservation of Energy:**

The Company is not covered under the list of specified industries, however the Company on continuous basis takes measures for conservation of power.

**B. Technology Absorption, Adaptation and innovation:**

There was no technology absorption, adaptation and innovation during the year.

**C. Foreign Exchange Earnings and Outgoings:**

Foreign Exchange Earning: NIL

Foreign Exchange Outgoings: NIL

**CORPORATE GOVERNANCE:**

Your Company adheres to the requirements set out by the Securities and Exchange Board of India. A separate section of Corporate Governance along with certificate from Practicing Company Secretary confirming compliance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

**CEO/CFO CERTIFICATION:**

In accordance with the provisions of the Listing Agreement pertaining to Corporate Governance norms, Mr. Ziaulla Sheriff, Chairman and Managing Director has certified the review of financial statements and establishing and maintaining internal controls for financial reporting for the year ended 31<sup>st</sup> March 2012. The said certificate forms part of the Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in separate section forming part of the Annual Report.

**AUDITORS:**

M/s Singrodia Goyal & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under section 224(1B) of the Companies Act, 1956. Members are requested to consider their re-appointment as Auditors for the financial year ending 31<sup>st</sup> March 2013 at remuneration to be decided by your Board of Directors or any Committee thereof.

**AUDITORS' REPORT:**

There are no qualifications contained in the Auditors' Report and therefore there are no further explanations to be provided for in this regard.



**DIRECTORS' RESPONSIBILITY STATEMENT:**

- (i) Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibility Statement, it is hereby confirmed that:in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures except accounts drawn as per Revised Schedule VI of the Companies Act, 1956;
- (ii) 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 as on 31<sup>st</sup> March 2012 and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**For and on behalf of the Board of Directors  
Starcom Information Technology Limited**

**Ziaulla Sheriff  
Chairman & Managing Director**

**Bangalore, 21<sup>st</sup> August 2012**

**Regd. Office:**

43, Great Western Bldg., (Opp. Lion Gate)  
N. M. Street Extn, Fort, Mumbai- 400023

## CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

### (A) MANDATORY REQUIREMENTS

#### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Sound Corporate Governance practices and ethical business conduct remain at the core of Starcom's value system. The Company believes that sound corporate practices based on transparency, accountability, timely disclosures, empowerment and high level of integrity is essential for the long term enhancement of the stakeholders' value and interest. The Company believes that its actions must result in enhancing corporate performance by maximizing stakeholders' value and also result in motivated work force. We, as a Company, have always focused on value creation for our shareholders. The Company recognizes that the shareholders are ultimately the people who are catalysts to the economic activities and also the ultimate beneficiaries thereof.

#### II. BOARD OF DIRECTORS:

##### a) Composition:

The composition of the Board of Directors is in conformity with the Listing Agreement. The Board comprises of three Directors and more than 50% are Non-Executive Directors as under:

Director	Executive / Non-Executive / Independent
Mr. Ziaulla Sheriff (Promoter)	Chairman and Managing Director (w.e.f. 12th August 2011)
Mr. Mohankumar Gundurao	Non-Executive & Professional Director (w.e.f. 12th August 2011)
Mr. Laxminarayan Krishnacharya Purohit	Non-Executive & Professional Director (w.e.f. 12th August 2011)
Mr. Mahesh Saraf	Managing Director (upto 19th August 2011)
Mr. Yogesh Singhanian	Independent Director (upto 12th August 2011)
Mr. Pramodkumar Sanganerian	Independent Director (upto 12th August 2011)

The new management is in the process of inducting new independent directors on the Board to reconstitute the Audit committee, Shareholders/Investors Grievance & Share Transfer Committee & Remuneration Committee

##### b) Attendance of each director at the Board Meeting and last Annual General Meeting and Number of other Directorships and Committees Memberships:

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other Companies are given below: FY 2011-12 (1st April 2011 to 31st March 2012)

Name of the Director	Category	Board Meeting held	Attendance Particulars		No. of other Directorships and Committee Memberships/ Chairmanships in other Indian Public Limited Company as on 31.03.12#		
			Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Mahesh Saraf @	C & E	6	3	No	Nil	Nil	Nil
Mr. Yogesh Singhanian #	NE & ID	6	2	No	1	Nil	Nil
Mr. Pramod Kumar Sanganerian #	NE & ID	6	2	No	Nil	Nil	Nil
Mr. Ziaulla Sheriff *	C & E	6	5	Yes	6	Nil	N.A.

Mr. Mohan Kumar Maddur Gundurao *	NE & PD	6	5	Yes	5	1	Nil
Mr. Laxminarayan Krishnacharya Purohit *	NE & PD	6	5	Yes	Nil	N.A.	N.A.

C – Chairman, E – Executive, NE – Non-Executive Director, ID –Independent Director, D- Director, PD- Professional Director.

\* Appointed as Additional Directors w.e.f. 12th August, 2011

@ Resigned as Directors w.e.f. 12th August, 2011

# Resigned as Director w.e.f. 19th August, 2011

## For the purpose of considering the number of other Directorships and Committee positions, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, have been excluded and Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee have been excluded.

**c) Meetings of the Board of Directors:**

During the Financial year 2011-12, Six Board Meetings were held on the following dates:

3rd May 2011, 12th August 2011, 19th August 2011, 8th September 2011, 2nd November 2011 and 11th February 2012.

**III. AUDIT COMMITTEE:**

**a) Brief description of terms of reference:**

The broad terms of reference of Audit Committee are in accordance with the prescribed guidelines as set out in clause 49 of the Listing Agreement executed with the Stock Exchanges that inter alia, include overseeing financial reporting processes, reviewing the financial statements, quarterly, half yearly/ annual financial results and adequacy of internal control systems, discussion with the Auditors on any significant findings etc.

**b) Composition:**

The Committee consists of One Executive and Two Non-Executive Professional Directors. The Members of the Committee have knowledge of finance, accounts, company law, etc. The Chairman of the Audit Committee is a Professional Director. The Company is in the process to induct independent directors on the Board.

Name of the Member	Category	Executive, Non-Executive/ Independent
Mr. Mohan Kumar Maddur Gundurao	Chairman	Non-Executive, Professional
Mr. Laxminarayan Purohit	Member	Non-Executive, Professional
Mr. Ziaulla Sheriff	Member	Executive

**c) Meeting and attendance during the year:**

During the year under review, four meetings of the Audit Committee were held, the dates being, 3rd May 2011, 12th August 2011, 2nd November 2011 and 11th February 2012.

Name of the Member	Meetings Attended
*Mr. Mohan Kumar Maddur Gundurao	2
*Mr. Laxminarayan Purohit	2
*Mr. Ziaulla Sheriff	2
#Mr. Mahesh Saraf	2
#Mr. Yogesh Singhanian	2
#Mr. Pramod Kumar Sangneria	2

\* w.e.f. 12th August 2011

# upto 12th August 2011

**IV. REMUNERATION COMMITTEE:**

**a) Brief description of terms of reference:**

The Remuneration Committee shall be re-constituted to review and recommend the remuneration payable to the Executive Directors and Senior Management of the Company based on their performance and defined assessment criteria. The new management is in the process of inducting the independent directors on the Board. On their appointment, the Company shall reconstitute the Remuneration Committee. Till 12<sup>th</sup> August 2011, the composition of the Remuneration Committee was as under.

**b) Composition:**

Name of the Members*	Category	Non-Executive/ Independent
Mr. Pramod Kumar Sanganeria	Chairman	Non-Executive, Independent
Mr. Yogesh Singhania	Member	Non-Executive, Independent

\*Upto 12th August 2011

**c) Meeting and attendance during the year:**

During the year under review, no meeting of the Remuneration Committee was held.

**d) Remuneration Policy:**

The Committee recommends the remuneration payable to Managing Director and Whole-time Director or any Executive Directors based on their contribution to the growth and development of the Company, keeping in mind the remuneration package of the industry.

**e) Details of Remuneration Paid:**

The new remuneration committee shall recommend the remuneration to be paid to the Managing Director. It was mutually decided between the Company and the Managing Director to forgo the remuneration till such date. The Company has not paid any remuneration or sitting fees to any Managing Director or Directors, during the year under review.

**V. SHAREHOLDERS'/ INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE:**

**a) Constitution and terms of reference of the Committee:**

The Committee consists of One Executive and Two Non-Executive Professional Directors, at present. Mr. Mohan Kumar Maddur Gundurao, Chairman and Mr. Ziaulla Sheriff and Mr. Laxminarayan Purohit act as Members of the Committee.

The Committee specifically looks into the redressal of the shareholders' complaints in respect of all matters including transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, dematerialization of shares and investor's complaints etc.

**b) Name and designation of Compliance Officer:**

Mr. Ziaulla Sheriff, Managing Director is the Compliance Officer of the Company.

(Mr. Ziaulla Sheriff is a new compliance officer of the Company w.e.f. 19<sup>th</sup> August 2012, after resignation of Mr. Mahesh Saraf)

**c) Number of Shareholders complaints received:**

There were no complaints received during the year under review.

**d) Meeting and attendance during the year:**

The Committee met four times during the year under review, i.e. 3rd May 2011, 12th August 2011, 2nd November 2011 and 11th February 2012 and all the members of the Committee were present at all the meetings.

**VI. GENERAL BODY MEETINGS:**

- a) **Details of the last three Annual General Meetings of the Company were held and the Special Resolutions passed thereat as under:**

Financial Year	AGM	Day, Date & Time	Venue	Special Resolution Passed
2010-2011	16th AGM	Saturday, 29th November 2011 at 10.00 a.m.	Maharashtra Chamber of Commerce, Industry & Agriculture, Orion House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai-400001.	Appointment of Mr. Ziaulla Sheriff as Managing Director of the Company.
2009-2010	15th AGM	Saturday, 25th September 2010 at 10.00 a.m.	315, Corporate Avenue, Sonawala Road, Goregaon (East), Mumbai – 400 063.	NIL
2008-2009	14th AGM	Wednesday, 30th September 2009 at 10.00 a.m.	315, Corporate Avenue, Sonawala Road, Goregaon (East), Mumbai – 400 063.	NIL

- b) **Special Resolution passed through Postal Ballot:**

During the financial year under review, no resolution was passed through postal ballot.

- c) **Person who conducted the postal ballot exercise:**

Not applicable.

- d) **Whether any special resolution is proposed to be conducted through postal ballot:**

No

- e) **Procedure for postal ballot:**

The Company will comply with the requirements of postal ballot, as and when such matter arises, requiring approval of the Members by such process as per Section 192A and other applicable provisions of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

**VII. DISCLOSURES:**

- (i) **Basis of related party transactions:**

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives except interest free temporary loan taken by the Company from the Chairman and Managing Director.

- (ii) **Details of non-compliance by the Company:**

During the last three years there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets, except a SEBI imposed penalty of Rs.1,50,000/- towards settlement charges for Consent application filed for non compliance of Regulation 6 and 8 of SEBI (Substantial Acquisitions and Takeover) Regulations, 1997 and Reinstatement Penalty of Rs.4,20,000/- paid to BSE towards Revocation of Suspension in trading of equity shares.

- (iii) **Whistle Blower Policy:**

The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. However, a formal Whistle Blower Policy is not in place.

- (iv) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause:**

The Company has complied with all the mandatory requirements of clause 49 of the Listing Agreement entered into with the Stock Exchanges except appointment of Independent Directors and consequential impact on the composition of the Board of Directors and Audit Committee. The Company shall adopt and guided by the non-mandatory requirements in future.

**VIII. MEANS OF COMMUNICATION:**

The quarterly, half yearly and annual results are communicated to the Bombay Stock Exchanges Limited where the Company's shares are listed, as soon as the same are approved and taken on record by the Board of Directors of the Company. Further, the results are published in Business Standard (English) and Lakshadeep (Marathi). The results are not sent individually to the shareholders.

**IX. GENERAL SHAREHOLDERS INFORMATION:**

**a) 17th Annual General Meeting:**

Day, Date and Time : Tuesday, 25th September 2012 at 11.00 A.M.  
 Venue : Maharashtra Chamber of Commerce, Industry & Agriculture,  
 Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001

**b) Financial Year** : 1st April 2011 to 31st March 2012

**c) Date of Book Closure** : Saturday, 15th September 2012 to Tuesday, 25th September 2012  
 (both days inclusive).

**d) Dividend payment date** : Not Applicable

**e) Listing on Stock Exchanges** : **i) BSE Limited**  
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.  
**ii) Ahmedabad Stock Exchange Limited**  
 Kamdhenu Complex, Opp. Sahajanand College,  
 Panjrapole, Ahmedabad, Gujarat 380015

**f) Stock Code:**

i) BSE Limited - 531616  
 ii) Ahmedabad Stock Exchange Limited - 27876  
 Demat ISIN in NSDL and CDSL for equity shares - INE347I01010

**g) Market price Data: High, Low during each month in the financial year 2011-2012:**

Month	BSE	
	High	Low
April – 2011	49.90	29.50
May – 2011	44.00	35.20
June – 2011	38.40	23.30
July – 2011	49.95	26.30
August- - 2011	74.85	50.90
September – 2011	76.30	60.65
October – 2011	61.80	54.90
November – 2011	55.00	48.50
December – 2011	60.60	52.80
January – 2012	54.75	54.75
February – 2012	63.85	52.00
March – 2012	92.50	64.00

**h) Registrar and Share Transfer Agent:**

Purva Sharegistry India Private Limited (upto 25<sup>th</sup> September 2012):-

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital,  
 Lower Parel (East), Mumbai – 400 011. Tel. No. 23018261

Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. (w.e.f. 1<sup>st</sup> October 2012):-

Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072

**i) Share Transfer System:**

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects.

**j) Distribution of shareholding as on 31st March 2012:**

Grouping of Shares	No. of Shareholders	% of total shareholders	No. of Shares per Category	% of total shares
1 to 5000	187	54.84	59472	1.19
5,001 to 10,000	120	35.19	109117	2.18
10,001 to 20,000	7	2.05	11459	0.23
20,001 to 30,000	7	2.05	18250	0.36
30,001 to 40,000	1	0.29	3021	0.10
40,001 to 50,000	1	0.29	5000	0.46
50,001 to 1,00,000	8	2.35	54670	1.09
1,00,001 and above	10	2.93	4739611	94.78
<b>Total</b>	<b>341</b>	<b>100.00</b>	<b>5000600</b>	<b>100.00</b>

Category	No. of Shareholders	No. of Shares held	% of total shares
Resident Individuals	323	538521	10.77
Bodies Corporate	15	23124	0.46
Promoter	1	4436455	88.72
Hindu Undivided Family	2	2500	0.05
<b>Total</b>	<b>341</b>	<b>5000600</b>	<b>100.00</b>

**k) Dematerialization of shares and liquidity:**

As on 31st March 2012, 97.08% of the Company's total equity shares representing 4,854,680 shares were held in dematerialized form and balance 2.92% representing 1,45,920 shares were held in physical form.

**l) Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity:**

There were no such outstanding instruments as on 31st March 2012.

**m) Address for correspondence:**

- For share transfer/ dematerialization of shares/ other queries relating to the securities:  
Purva Sharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400 011.  
Sharex Dynamic (India) Pvt. Ltd., (w.e.f 1st October 2012)  
Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072
- For queries on Annual Report or investors' assistance:  
43, Great Western Building, Opp. Lion Gate, NM Street Extn., Fort, Mumbai PIN- 400023

**For Starcom Information Technology Limited**

**Ziaulla Sheriff**  
Chairman & Managing Director

**Bangalore, 21<sup>st</sup> August 2012**

**Regd. Office:**

43, Great Western Bldg., (Opp. Lion Gate)  
N. M. Street Extn, Fort, Mumbai- 400023

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members of Starcom Information Technology Limited**

We have examined the compliance of conditions of Corporate Governance by **Starcom Information Technology Limited**, for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause 49. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the Listing Agreement except for the constitution of Board of Directors and Audit Committee as the management is in the process of appointing Independent Directors on the Board as on date of the certificate.

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.

**For Hemanshu Kapadia & Associates  
Practicing Company Secretaries**

**Hemanshu Kapadia  
Proprietor  
CP. No. 2285**

**Mumbai, 22<sup>nd</sup> August 2012**



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**CEO/ CFO CERTIFICATION:**

To

**The Board of Directors**

**Starcom Information Technology Limited**

I, Ziaulla Sheriff, Chairman and Managing Director of the Company, to the best of my knowledge and belief, certify that:-

- (a) I have reviewed the Balance Sheet & Profit & Loss Account (Statement of Profit and Loss) and all the schedules and notes on accounts, as well as the cash flow statements, and Directors' Report for the year ended 31<sup>st</sup> March 2012 and to the best of my knowledge and belief:
  - (i) these statements do not contain any untrue statement of a material facts 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.
- (b) There are, to the best of my 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.
- (c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the Internal Control Systems of the Company and the same have been disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
- (d) I have indicated to auditors and the Audit committee that:
  - (i) there are no significant changes in internal control during the year;
  - (ii) there have been no significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
  - (iii) I am not aware of any instance of significant fraud and involvement therein of the Management or an employee having a significant role in the Company's internal control system.

**For Starcom Information Technology Limited**

**Ziaulla Sheriff  
Chairman & Managing Director**

**Bangalore, 21<sup>st</sup> August 2012**

**ANNUAL CERTIFICATION BY CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR  
PURSUANT TO CLAUSE 49 I D (II) OF THE LISTING AGREEMENT:**

As the Managing Director of Starcom Information Technology Limited and as required pursuant to Clause 49 I D (ii) of the Listing agreement, I hereby declare and certify that all the Board members of the Company have affirmed compliance with the code of conduct as adopted by the Company for the year 2011-12.

**For Starcom Information Technology Limited**

**Ziaulla Sheriff  
Chairman & Managing Director**

**Bangalore, 21<sup>st</sup> August 2012**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### (i) Industry structure and developments:

#### Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. There are no material departures from prescribed accounting standards in the adoption of these standards. The management of Starcom Information Technology Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and the judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and the state of affairs and profits for the year.

#### Global Business Environment

The world economy, following the turmoil of the last few years, displayed some initial signs of strength according to recently reported indicators. As could be expected, the initial upturn has largely been felt in the core sectors. This has contributed to expectations of stronger GDP growth in several regions / countries globally. In the IT sector, growth in demand from key consumption segments has created a limited turnaround but this trend is yet to gain significant strength. Moreover, demand growth has been focused on maintaining and expanding the returns on existing IT investments rather than committing fresh investments.

#### The India Opportunity...

Here lies the opportunity for Indian companies that have the business experience, domain strengths, technology capabilities, management bandwidth, technical talent and above all the focused commitment to nurture and establish global brand name for itself.

According to NASSCOM, FY2012 is a landmark year – while the Indian IT-BPO industry weathered uncertainties in the global business environment, this was also the year when the industry set to reach a significant milestone – aggregate revenue for FY2012 crossed USD 100 billion. Aggregate IT software and services revenue (excluding hardware) was estimated at USD 88 billion. Within the global sourcing industry, India was able to increase its market share from 51 per cent in 2009, to 58 per cent in 2011, highlighting India's continued competitiveness and the effectiveness of India-based providers delivering transformational benefits.

#### Starcom Information Technology: Poised For Growth

During the financial year 2011 - 2012, Starcom Information Technology Limited (SITL) successfully made several operating initiatives with the underlying objective of creating a successful global business. Powered by a strong business strategy and an aggressive management team, SITL has created a robust pipeline to support sustained business expansion and value enhancement in the coming years in the areas of business intelligence, enterprise analytics and engineering services.

### (ii) Opportunities and Threats:

#### Opportunities:

Recovery and growth of economy as well as significant technology changes are presenting several opportunities to Starcom Information Technology Limited.

- a) Gartner predicts that up to 20% of Companies will own no IT assets of their own by 2012. Recognizing the potential of this trend, Starcom Information Technology Limited is developing competency as well as alliances in this technology and services area.
- b) Enhanced awareness and concern for global warming is leading all enterprises to look for ways to reduce their carbon footprint without compromise on business growth and potential. Starcom Information Technology Limited is readying itself with services in the area of Green IT as well as IT for green. An eco-system of partners and alliances is being set up to address this opportunity.
- c) Improving fortunes of IT industry is increasing the demand for IT professionals and large scale recruitment.

#### Threats:

As Indian economy continues to outpace developed economies in the world, India continues to be an attractive market for major IT players. This enhanced focus on India continues to exert competitive pressure on Starcom Information Technology Limited performance in domestic market.

The growth in the economy and IT industry is expected to lead to increase in attrition next year. This pressure on attrition as well as fast changing technology landscape will necessitate increased investment in its people and innovative approaches to retain and develop right talent.

**(iii) Segment-wise Performance:**

The segment wise details as per Accounting Standard 17 “Segment Reporting” as notified by the Companies (Accounting Standard) Rules, 2006 is not applicable as there are no separate reportable segments.

**(iv) Outlook:**

The Company believes that the current trends in IT spend in domestic market looks good. The recent policy initiatives to make Indian Companies more competitive including new policy on Special Economic Zone, the focus of Indian corporates to benchmark themselves with leading global players in terms of quality of processes and competitiveness, is going to drive an increase in IT spend. The Company is well poised to exploit the emerging opportunities.

**(v) Risks and concerns:**

It is difficult to assess the risk involved in the business. It is always the intention of the management to minimize the risk involvement with proper analysis and market study, internal control and system.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of the line managers so that risks at the transactional level are identified and steps are taken towards its mitigation in a decentralized fashion.

The Board of Directors is responsible for monitoring risk levels on various parameters and the Managing Director ensures implementation of mitigation measures. The Audit Committee provides the overall Direction on the risk management policies.

**(vi) Internal Control systems and their adequacy:**

The Company has an adequate system of internal controls implemented for achieving efficiency in operations, optimum utilization of resources with analysis of data to strengthen it to meet the changing requirements.

**(vii) Discussion on financial performance with respect to operational performance:**

The Company has mainly received income from dividend and interest; there is no income from operational activities. As mentioned earlier, the Management is looking out various opportunities to diversify the Company’s activities for better growth and opportunities.

**(viii) Material developments in Human Resources/ Industrial Relations front:**

Human resources as the most valuable ingredient of the functioning of a Company. Your Company is in the process of appointing employees.

**Cautionary Statement:**

Statement in this “Management Discussion and Analysis” may be considered to be “forward looking statements” within the meaning of applicable securities laws or regulations. This statement is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

## Auditors' Report

To

The Members,

### Starcom Information Technology Limited

We have audited the attached Balance Sheet of **Starcom Information Technology Limited** as at 31st March 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company as appears from our examination of such books.
  - c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - d) In our opinion the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement comply with the requirements of the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956
  - e) On the basis of written representations received from all the Directors of the Company as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March 2012, from being appointed as a director in terms of clause (g) of sub section (1) to Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012.
    - ii. In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.
    - iii. In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

*For Singrodia Goyal & Co.*  
Chartered Accountants  
**Firm Reg. No : 112081 W**  
*Suresh Murarka*  
Partner

Place: Mumbai

Date: 22<sup>nd</sup> August 2012

**Mem. No. 044739**

## Annexure to Auditors' Report

**Annexure** referred to in Paragraph 2 of our report of even date on the accounts of **Starcom Information Technology Limited** for the year ended 31<sup>st</sup> March, 2012.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) (a) Since the Company does not have any Fixed Assets clause 4(i) (a),(b) & (c) of the said Order are not applicable to the Company
- (ii) (a) Since the Company does not have any Inventory clause 4(ii) (a),(b) & (c) of the said Order are not applicable to the Company
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clauses 4 (iii) (b), (c) and (d) of the said Order are not applicable to the Company.
  - (b) The Company has taken unsecured loan from one party covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount outstanding during the year was Rs. 3,03,693/- and the year-end balance was Rs. 3,03,693/-.
  - (c) The said loan is interest free. Other terms and conditions on which the loan has been taken are prima facie, not prejudicial to the interest of the Company;
  - (d) In view of our comments in para (iii) (b) and (c) above, clause 4 (iii) (g) of the said Order is not applicable.
- (iv) During the year the Company has not carried out any activity of sale of goods and services and has not purchased any fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under that section have been so entered.
  - (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company does not have a formal internal audit system. However, according to the information and explanations given to us, operating control systems are commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- (ix) (a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, wherever applicable have been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2012 for a period more than six months from the date they became payable.
  - (b) There are no amount in respect of any disputed sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess.
- x) The Company does not have accumulated losses at the end of financial year. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- (xi) The Company has no facilities from banks and financial institutions.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.

- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we are of the opinion that no short-term funds have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

*For Singrodia Goyal & Co.*  
Chartered Accountants  
**Firm Reg. No : 112081 W**  
*Suresh Murarka*  
Partner  
**Mem. No. 044739**

Place: Mumbai  
Date: 22<sup>nd</sup> August 2012

## Balance Sheet as at March 31, 2012

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	50,006,000	50,006,000
(b) Reserves and Surplus	3	7,342,692	4,727,337
		<b>57,348,692</b>	<b>54,733,337</b>
<b>(2) Current Liabilities</b>			
(a) Short Term Borrowings	4	303,693	-
(b) Other Current Liabilities	5	626,468	17,538
(c) Short Term Provisions	6	378,091	-
		<b>1,308,252</b>	<b>17,538</b>
<b>TOTAL</b>		<b>58,656,944</b>	<b>54,750,875</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Other Non-Current assets	7	30,000	133,400
		<b>30,000</b>	<b>133,400</b>
<b>(2) Current Assets</b>			
(a) Cash and Bank Balances	8	58,626,944	51,430,275
(b) Short Term Loans & Advances	9	-	3,187,200
		<b>58,626,944</b>	<b>54,617,475</b>
<b>TOTAL</b>		<b>58,656,944</b>	<b>54,750,875</b>

Significant Accounting Policies 1  
 Accompanying Notes to Accounts 13

In terms of our report of even date  
**For Singrodia Goyal & Co**  
 Chartered Accountants  
**Firm Reg. No. : 112081W**

For and on behalf of the Board of Directors of  
**Starcom Information Technology Limited**

Ziaulla Sheriff  
 Managing Director

Mohankumar M. Gundurao  
 Director

**Suresh Murarka**  
 Partner  
**Mem. No. 044739**

Place : Mumbai  
 Date : 22nd August 2012

Place: Bangalore  
 Date: 21st August 2012

Statement of Profit and Loss for the year ended March 31, 2012

(Amount in Rs.)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
<b>Income:</b>			
Other Income	10	4,407,740	4,006,842
		<u>4,407,740</u>	<u>4,006,842</u>
<b>Expenses:</b>			
Other Expenses	11	1,043,339	1,145,754
		<u>1,043,339</u>	<u>1,145,754</u>
Profit before tax		<u>3,364,401</u>	<u>2,861,088</u>
<b>Less: Tax Expenses:</b>			
Current Tax		1,040,000	821,000
Short / (Excess) provision for tax of earlier years		(290,954)	(304,898)
<b>Profit for the Year</b>		<u><u>2,615,355</u></u>	<u><u>2,344,986</u></u>
<b>Earnings per equity share: (face value of Rs. 10/- each)</b>			
(1) Basic	12	0.52	0.47
(2) Dilutive		0.52	0.47
Significant Accounting Policies	1		
Accompanying Notes to Accounts	13		

In terms of our report of even date  
**For Singrodia Goyal & Co**  
 Chartered Accountants  
**Firm Reg. No. : 112081W**

For and on behalf of the Board of Directors of  
**Starcom Information Technology Limited**

**Suresh Murarka**  
 Partner  
**Mem. No. 044739**

Ziaulla Sheriff  
 Managing Director

Mohankumar M. Gundurao  
 Director

Place : Mumbai  
 Date : 22nd August 2012

Place: Bangalore  
 Date: 21st August 2012



**Cash Flow Statement for the year ended 31st March, 2012**

(Amount in Rs.)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	3,364,401	2,861,088
<u>Adjustments for :</u>		
Interest income	4,407,740	3,610,636
Dividend income	-	16,200
Net gain on sale of current investments	-	380,006
<b>Operating profit before working capital changes</b>	<b>(1,043,339)</b>	<b>(1,145,754)</b>
<u>Adjustments for :</u>		
Decrease / (Increase) in Short-term loans and advances	3,187,200	19,477,019
Decrease / (Increase) in Other Non - current assets	-	10,012,000
Increase / (Decrease) in Other current liabilities	608,930	(11,895,461)
<b>Cash generated from / (used in) operations</b>	<b>2,752,791</b>	<b>16,447,804</b>
Direct taxes paid	(267,555)	(372,467)
<b>Net cash flow from / (used in) operating activities</b>	<b>2,485,236</b>	<b>16,075,337</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of investments - current	-	(1,053,000)
Sale of investments - current	-	1,433,006
Redemption / maturity of bank deposits (having original maturity more than 3 months)	(57,936,296)	31,131,612
Dividend income	-	16,200
Interest income	4,407,740	3,610,636
<b>Net cash flow from / (used in) investment activities</b>	<b>(53,528,556)</b>	<b>35,138,454</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan taken	303,693	-
<b>Net cash flow from / (used in) financing activities</b>	<b>303,693</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(50,739,627)</b>	<b>51,213,792</b>
Cash and cash equivalents at the beginning of the year	51,269,144	55,352
<b>Cash and cash equivalents at the end of the year</b>	<b>529,517</b>	<b>51,269,144</b>

**Note :**

1 Cash and cash equivalents at the end of the year consists of cash in hand and balances with banks as follows :

Particulars	(Amount in Rs.)	
	As at 31.03.2012	As at 31.03.2011
Cash in hand	16,180	16,180
Balances with Bank	513,337	51,252,964
	<b>529,517</b>	<b>51,269,144</b>

2 Previous year's figures have been regrouped and rearranged wherever necessary in order to confirm to current year's figures.

As per our report of even date attached

**For Singrodia Goyal & Co**

Chartered Accountants

**Firm Reg. No. : 112081W**

**Suresh Murarka**

Partner

**Mem. No. 044739**

Place : Mumbai

Date : 22nd August 2012

For and on behalf of the Board of Directors of

**Starcom Information Technology Limited**

Ziaulla Sheriff  
Managing Director

Mohankumar M. Gundurao  
Director

Place: Bangalore

Date: 21st August 2012

**Accompanying notes to the financial statements for the year ended March 31, 2012**

**Note 1 : Significant Accounting Policies:**

**A Basis of Accounting:**

The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

**B Use of Estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize

**C** For the year ended 31st March, 2012, the Revised Schedule VI notified under the Companies Act, 1956, is applicable to the Company, for presentation and disclosures in financial statements. The Company has reclassified the previous year's figures in accordance with the Revised Schedule VI as applicable in the current year.

**D Revenue Recognition**

- i) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- ii) Dividend income is recognised when right to receive payment is established.
- iii) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.

**E Investments:**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

**F Provisions and Contingent Liabilities:**

Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets issued by The Institute of Chartered Accountants of India (ICAI), when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made

**G Accounting for Taxes of Income:-**

**Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions

**Deferred Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future.

## Accompanying Notes to the financial statements for the year ended March 31, 2012

### Note 2 : Share Capital

#### a. Details of authorised, issued and subscribed share capital

Particulars	(Amount in Rs.)	
	As at March 31, 2012	As at March 31, 2011
<b>Authorised Capital</b>		
55,00,000 Equity Shares of Rs 10 each	55,000,000	55,000,000
<b>Issued,Subscribed and Paid up</b>		
50,00,600 Equity Shares of Rs 10 each fully paid up	50,006,000	50,006,000
	<b>50,006,000</b>	<b>50,006,000</b>

#### b. Shareholders having more than 5% shareholding

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
	Mr. Ziaulla Sheriff	4436455	88.72	3560280
Greenland Textiles Pte Ltd.	0	0	250000	5.00

#### c. Reconciliation of Number of Shares

Particulars	Equity Shares as at 31st March, 2012		Equity Shares as at 31st March, 2011	
	Number	Rs.	Number	Rs.
	Shares outstanding at beginning of the year	5,000,600	50,006,000	5,000,600
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,000,600	50,006,000	5,000,600	50,006,000

#### d. Terms / Right 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 share is entitled to one vote per share.

In the event of liquidation of the company, the holder 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.

### Note 3 : Reserves & Surplus

Particulars		
	As at March 31, 2012	As at March 31, 2011
<b>Surplus</b>		
Opening Balance	4,727,337	2,382,351
Add: Current Year Profit	2,615,355	2,344,986
<b>Closing Balance</b>	<b>7,342,692</b>	<b>4,727,337</b>

**Note 4 : Short Term Borrowings (unsecured)**

Particulars	As at March 31, 2012	As at March 31, 2011
Loan from a Director	303,693	-
	<u>303,693</u>	<u>-</u>

**Note 5 : Other Current Liabilities**

Particulars	As at March 31, 2012	As at March 31, 2011
Expenses Payable	594,752	12,905
TDS payable	31,716	4,633
	<u>626,468</u>	<u>17,538</u>

As on 31.03.2012 there are no dues to Micro, Small and Medium enterprises defined under the "Micro, Small and Medium enterprises Development Act 2006"

**Note 6 : Short Term Provisions**

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Tax (Net of Advance Tax and TDS)	378,091	-
	<u>378,091</u>	<u>-</u>

**Note 7 : Other Non-Current Assets**

Particulars	As at March 31, 2012	As at March 31, 2011
Sales tax Deposit	30,000	30,000
Advance Tax (Net of Provisions)	-	103,400
	<u>30,000</u>	<u>133,400</u>

**Note 8 : Cash and Bank Balances**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>i) Cash &amp; Cash Equivalents</b>		
a. Balances with banks		
- Current Account	513,337	51,252,964
b. Cash in Hand	16,180	16,180
<b>ii) Other Bank Balances</b>		
a. Fixed Deposit with Bank (maturity period 3 to 12 months)	58,097,427	161,131
	<u>58,626,944</u>	<u>51,430,275</u>

**Note 9 : Short Term Loans & Advances  
(unsecured, considered good)**

Particulars	As at March 31, 2012	As at March 31, 2011
Loans	-	3,187,200
	<u>-</u>	<u>3,187,200</u>

Accompanying Notes to the financial statements for the Year ended March 31, 2012

**Note 10 : Other Income** (Amount in Rs.)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Dividend received	-	16,200
Interest Income	4,407,740	3,610,636
Profit on Sale of Investments	-	380,006
	<u>4,407,740</u>	<u>4,006,842</u>

**Note 11 : Other Expenses**

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Legal & Professional Charges	204,798	87,026
Auditors Remuneration	112,360	36,400
Travelling & Conveyance	567,684	223,527
Printing & Stationery	-	15,030
Advertisement Expenses	64,238	40,289
Fees & Registration Charges	60,815	95,133
Registrar Charges	33,444	26,300
Business Promotion Expenses	-	600,000
Miscellaneous Expenses	-	22,049
	<u>1,043,339</u>	<u>1,145,754</u>

**Remuneration to Auditors (including Service Tax)**

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Audit Fees	112,360	16,545
Other Services	2,758	19,855
	<u>115,118</u>	<u>36,400</u>

**Note 12 : Earnings Per Equity Shares**

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>Basic Earnings per Share</b>		
Profit attributable to Equity shareholders	2,615,355	2,344,986
Weighted average number of equity shares	5,000,600	5,000,600
<b>Basic Earnings Per Share</b>	<b>0.52</b>	<b>0.47</b>
<b>Dilutive Earnings per Share</b>		
Profit after adjusting interest on potential equity shares	2,615,355	2,344,986
Weighted average number of equity share after considering potential equity shares	5,000,600	5,000,600
<b>Dilutive Earnings per Share</b>	<b>0.52</b>	<b>0.47</b>

**Note 13 : Accompanying Notes to Accounts**

- 1.) In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

- 2.) Contingent Liabilities: Rs. Nil (P.Y Rs. Nil)
- 3.) No provision for retirement benefits in pursuant to the Accounting Standard (AS)- 15 (Revised) is required, since the Company did not have any employees during the year.
- 4.) The name of the Company has been changed from Jatia Finance Limited to Starcom Information Technology Limited and the fresh certificate of incorporation dated 10th December, 2008 has been received from the Registrar of Companies, Mumbai.

**5.) Related Party disclosures**

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are the details of transactions during the year with the related parties of the Company as defined in AS 18:

**i.) List of related parties**

Name of the Party	Relationship
Mr. Ziulla Sheriff	Managing Director
Mr. Maddur Mohankumar	Director
Mr. Laxminarayan Purohit	Director

**ii.) Transactions with Related Parties :**

Name of Party	Nature of Transaction	Year ended March 31, 2012	Year ended March 31, 2011
Mr. Ziulla Sheriff	Loan	303,693	-

**iii.) Balance Outstanding of Related Parties :**

Name of Party	Receivable / Payable	Year ended March 31, 2012	Year ended March 31, 2011
Mr. Ziulla Sheriff	Payable	303,693	-

**Note:** Related Parties are as disclosed by the Management and relied upon by the auditors.

**6.) Segment Information**

The segment wise details as per Accounting Standard 17 "Segment Reporting" as notified by the Companies (Accounting Standard) Rules, 2006 is not applicable since the Company do not have separate reportable business segments.

- 7.) There is no items attributable to the timing difference between taxable income and accounting income hence no deferred tax liabilities / (assets) as required by Accounting Standard (AS) - 22 has been recognized during the year.
- 8.) The previous year's figures have been re-grouped / re-classified to conform to this year's classification which is as per Revised Schedule VI. This adoption does not impact recognition and measurement principles followed for preparation of financial statements as at 31st March, 2011.

In terms of our report of even date

**For Singrodia Goyal & Co**

Chartered Accountants

**Firm Reg. No. : 112081W**

**Suresh Murarka**

Partner

**Mem. No. 044739**

Place : Mumbai

Date : 22nd August 2012

For and on behalf of the Board of Directors of

**Starcom Information Technology Limited**

Ziulla Sheriff  
Managing Director

Mohankumar M. Gundurao  
Director

Place: Bangalore

Date: 21st August 2012

**STARCOM INFORMATION TECHNOLOGY LIMITED**

**Registered Office:** 43, Great Western Bldg., (Opp. Lion Gate) N. M. Street Extn, Fort, Mumbai- 400023

**ATTENDANCE SLIP**

Annual General Meeting on Tuesday, 25<sup>th</sup> September 2012 at 11.00 a.m. at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001.

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

DP Id\*

Registered Folio No.

Client Id\*

**NAME AND ADDRESS OF THE MEMBER:**

**No. of Share(s) held:**

I hereby record my presence at the Seventeenth Annual General Meeting of the Company at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001.

Signature of the Member/Proxy \_\_\_\_\_

\* Applicable for investors holding shares in electronic form.

-----TEAR HERE-----

**STARCOM INFORMATION TECHNOLOGY LIMITED**

**Registered Office:** 43, Great Western Bldg., (Opp. Lion Gate) N. M. Street Extn, Fort, Mumbai- 400023

**PROXY FORM**

DP Id\*

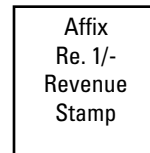
Registered Folio No.

Client Id\*

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a Member(s) of STARCOM INFORMATION TECHNOLOGY LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the **Seventeenth Annual  
General Meeting** of the Company to be held on Tuesday, 25<sup>th</sup> September 2012 at 11.00 a.m. and at any adjournment thereof.

Signed ..... 2012.

Place: .....



\_\_\_\_\_  
Signature

\* Applicable for Members holding shares in electronic form.

**Note:** The Proxy in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a Member of the Company.

