

STARCOM INFORMATION TECHNOLOGY LIMITED

28TH ANNUAL REPORT

2022-2023



FINANCIAL YEAR 2022-2023

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Corporate Information:

1. Board Of Directors:

- a. Ziaulla Sheriff – Chairman and Managing Director – DIN: 00002098
- b. Maddur Gundurao Mohan Kumar – Independent Director – DIN: 00020029
- c. Mohmmad Yousuf Khan – Independent Director – DIN: 00570339
- d. Hina Sayeeda – Non-Executive Director - DIN: 03642269

2. Company Secretary:

Joydeep Sarkar

3. Chief Financial Officer:

Mukhtar Ahmad

4. Registered Office:

73/1, Sheriff Centre 5th Floor, St. Marks Road Bangalore 560001

5. Corporate Office:

88, Times Square, M.G. Road, Bangalore 560001

6. Auditors:

M/s. CAS & Co. (Formerly known as K.M Tulsian& Associates), Chartered Accountants

7. Bankers:

J & K Bank Ltd.
Yes Bank Ltd.
Indian Bank Ltd.
Union Bank of India.
Axis Bank Ltd.

8. Registrar & Share Transfer Agent:

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

STARCOM INFORMATION TECHNOLOGY LIMITED

CIN: L67120KA1995PLC078846

Regd. Off.: 73/1, Sheriff Centre 5th Floor, St. Marks Road Bangalore 560001, Karnataka, India.

Ph. No.: 22278283 / 22271797 Fax:22278131

Email: sitl.finance@starcominfotech.com

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 28th (Twenty-Eighth) Annual General Meeting of Starcom Information Technology Limited ("The Company") will be held on Friday, the 29th day of September, 2023 at 11:00 AM through Video Conferencing (VC) or Other Audio Video means (OAVM). The place of business for this purpose shall be deemed to be the Corporate Office at No. 88 Times Square, M G Road, Bangalore 560001 as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Sayeeda Hina (DIN: 03642269), who is liable to retire by rotation pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and who is not disqualified to become a director under the Companies Act, 2013 and being eligible, offers herself for re-appointment.

Kindly make it convenient to attend the Annual General Meeting of the Company.

By order of the Board

For and on Behalf of

Starcom Information Technology Limited

Sd/-

Joydeep Sarkar
Company Secretary
PAN: GEDPS6725H

Date: 7th September 2023

Place: Bengaluru

IMPORTANT NOTES:

- 1.** The Ministry of Corporate affairs post the outbreak of COVID-19 had issued various circulars the last being Circular No.10/2022 dated December 28, 2022 with respect to the general meetings of the companies, in this regard physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) can be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
- 2.** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM.
- 3.** The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 450 members on first come first served basis. However, this number does not include the large Shareholders (shareholders holding 2% or more share capital), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 4.** In continuation of Ministry's various circulars, the last being Circular No.10/2022 dated 28.12.2022, MCA has clarified that AGMS for the year ended 31st March 2023 can be held using VC/OAVM until September 30,2023.
- 5.** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- 6.** Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and accordingly Proxy form and Attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- 7.** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL
- 8.** In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www. starcominfotech.com](http://www.starcominfotech.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.

- 9.** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or M/s Link Intime India Pvt. Ltd..
- 10.** In terms of section 101 and 136 of the Companies Act, 2013 read together with the rules made there under, the listed companies may send the notice of annual general meeting and the annual report, including financial statements, board report etc., by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their email IDs with their respective depository participants or with the share transfer agent of the Company.

Members who have not registered their e-mail address with the Company are requested to submit their request with their valid email address to M/s Link Intime India Pvt. Ltd. Members holding shares in demat form are requested to register/ update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.

- 11.** Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2023 to 29.09.2023 (both days inclusive) for the purpose of the Annual General Meeting.
- 12.** Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Thursday, September 21, 2023. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:-

Commencement of remote E-Voting 09:00 AM IST on Tuesday, 26th September, 2023. End of remote E-Voting 05:00 PM IST on Thursday, 28th September, 2023.

Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.

- 13.** The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Registered Office.
- 14.** All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on all working days up to the date of the AGM.
- 15.** A statement giving the details of the Director seeking re-appointment under Item No 2 of the accompanying Notice, as required under Regulation 26(4), Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Secretarial Standard-2 on General Meetings, is provided in annexure attached herewith.

16. Any query relating to accounts or any other items of business set out in the Agenda of the meeting must be sent to the Company's Registered Office at least seven days before the date of the Meeting. The same will be replied by the Company suitably.
17. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
18. Members are requested to notify immediately any change in their name, address, e-mail id, telephone/ mobile numbers, Permanent Account number (PAN), Nominations, Power of Attorney, Bank mandate viz. name and address of the branch of the bank, MICR code, account number with blank cancelled cheques to their Depository Participant (DP) quoting their Client Ids to their respective Depository Participants (DPs) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent of the Company namely M/s Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083.
19. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
20. Members holding shares in physical form may nominate a person in respect of all shares held by them whether singly or jointly. Members who hold shares singly are advised to avail nomination facility in their own interest. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
21. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice

The Instructions for Members for Remote E-Voting and joining General Meeting are as under:

The remote e-voting period begins on Tuesday, the 26th day of September, 2023 at 9:00 A.M. and ends on Thursday, the 28th day of September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, the 21st day of September 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 1. Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the

	<p>evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to guha.supriyo@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@starcominfotech.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (info@starcominfotech.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:-

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (info@starcominfotech.com). The same will be replied by the company suitably.

For and on Behalf of
Starcom Information Technology Limited

Sd/-
Joydeep Sarkar
Company Secretary
PAN: GEDPS6725H

Date: 7th September 2023
Place: Bengaluru

Annexure to Item No. 2 of the Notice

Name of The Director	Hina Sayeeda
Director Identification Number (DIN)	03642269
Designation	Non – Executive Director
Date of Birth	11 th October 1966
Age	56 years
Qualifications	Master of Commerce (M.Com)
Nature of Expertise in specific functional area	She has expertise in the field of Accounting & Finance.
Experience	29 Years
Terms and conditions of reappointment	She will continue to act as the Non-executive Director of the company.
Last drawn remuneration	Nil
Remuneration proposed to be paid	NIL
Date of first appointment on the Board	8 th November 2014
Shareholding in the Company	NIL
Relationship with other Director/ Manager/KMPs	She is the daughter of Mr. Ziaulla Sheriff, the Chairman & Managing Director of the Company
No. of meetings of the Board attended during the financial year 2022-23	5 (Five)
Other Directorships (other than Starcom Information Technology Limited)	<ul style="list-style-type: none"> • Ossoor Estates Limited • Wartyhully Estates Limited • Golf View Homes Limited • Engineering Technology Associates Apme Private Limited • PRI Technologies Private Limited
Membership/Chairmanships of the Committees of Boards of other listed entities (other than Starcom Information Technology Limited)	Nil

Report of the Board of Directors of the Company

Dear Members,

The Directors of the Company have the pleasure to present this Integrated Annual Report of Starcom Information Technology Limited ("the Company") along with the audited financial statements for the financial year ended March 31, 2023.

1. Financial Performance:

(Rs. In lakhs)

Particulars	Standalone	
	Financial Year 2022-2023 (FY 2023)	Financial Year 2021-2022 (FY 2022)
Total Income	202.01	362.55
Total Expense	755.99	940.31
Profit/ (loss) before extraordinary items & tax	(553.98)	(577.76)
Exceptional Items	-	-
Profit/ (loss) before tax	(553.98)	(577.76)
Tax expenses/ (Income)	(29.68)	(45.49)
Profit/ (loss) for the period	(524.30)	(532.26)
Other Comprehensive Income	6.89	10.24
Total comprehensive income/ (loss) for the year, net of tax	(517.41)	(522.02)

The annual revenue from operations has registered a decrease by about 44.28% compared with the previous year. The loss for the period before tax stands at INR 5.54 crores as compared with loss of INR 5.78 crores in the previous year.

The decrease in revenue was due to lower order book position from the clients. Further the loss for the period was higher due to lower revenue due to a sluggish market and write off certain Capital WIP since there appears to be no immediate commercialization possible for the software under development.

In the year under review, the Company has made efforts to enhance its position in the areas of Business Intelligence and Engineering Services. The Company is making efforts to improve operational effectiveness, optimize costs and increase market reach across all businesses. Barring unforeseen circumstances, these initiatives would positively impact the current year business revenues and improve the operating margins and hence the company will be profitable in the coming period. Your directors are continuously working on different avenues for future growth of the company.

2. Change in the nature of business, if any:

There was no change in nature of business activity during the year.

3. Dividend:

The Board did not declare any dividend for the present financial year in the absence of distributable surplus.

4. Transfer to reserves:

The closing balance of the retained earnings of the Company for FY 2023, after all appropriations and adjustments were INR (16.09) crore.

5. Share Capital:

During the financial year under review your there were no changes in the Capital Structure of your Company.

The paid-up Share Capital of the Company as on March 31, 2023 was INR 5,00,06,000/- (Indian Rupees Five Crore Six Thousand only) divided into 50,00,600 (Fifty Lakhs six Hundred) Equity Shares of INR 10/- (Indian Rupees Ten only) each. The capital structure is as below:

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Share Capital				
Authorized Capital				
Equity Share of INR 10/- each	55,00,000	5,50,00,000	55,00,000	5,50,00,000
TOTAL	55,00,000	5,50,00,000	55,00,000	5,50,00,000

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Issued, Subscribed and fully paid up capital:				
Equity Share INR 10/- each	50,00,600	5,00,06,000	50,00,600	5,00,06,000
TOTAL	50,00,600	5,00,06,000	50,00,600	5,00,06,000

Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:		
Particulars	As at 31 st March 2023	
	No. of Shares	Amount (INR)
Equity Shares with voting rights		
Opening Balance	50,00,600	5,00,06,000
Add: Shares issued during the year	-	-
Closing Balance	50,00,600	5,00,06,000

6. Listing/Delisting:

The equity shares of the Company are listed at BSE Limited ("BSE"). The Equity Shares of the Company will continue to remain listed on BSE having nationwide terminals and the shareholders of the Company shall continue to avail the benefits of listing and trading on BSE. The stock code of the Company at BSE is 531616.

7. Consolidation of Accounts:

As there is no subsidiary for our company as on 31st day of March, 2023, consolidation of accounts for the year ended does not arise.

8. Events Subsequent to the date of the Financial Statements:

There have been no material changes and commitments which have affected the financial position of the Company for the Financial Year ended 31st March, 2023 and the date of this Board Report.

9. Public Deposits:

The Company has not accepted or invited any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

10. Details of Directors / Key Managerial Personnel:

During the period the Board was duly constituted as per the provisions of the Companies Act, 2013 and the following directors were on the board:

Sl. No.	DIN	Name of Director	Designation	Date of Appointment
1.	00002098	Ziaulla Sheriff	Chairman and Managing Director	12/08/2011
2.	00020029	Maddur Gundurao Mohan Kumar	Independent Director	12/08/2011
3.	00570339	Mohmmad Yousuf Khan	Independent Director	31/03/2017
4.	03642269	Hina Sayeeda	Non-Executive Director	08/11/2014

Pursuant to Section 203 of the Companies Act 2013 the Key Managerial Personnel for the period were as follows:

Sl. No.	DIN/ PAN	Name of Key Managerial Personnel	Designation	Date of Appointment
1.	00002098	Ziaulla Sheriff	Chairman and Managing Director	12/08/2011
2.	AAOPA8142K	Mukhtar Ahmad	Chief Financial Officer	01/06/2011
3.	GEDPS6725H	Joydeep Sarkar	Company Secretary	01/12/2022

During the year, Ms. Nidhi Sharma (PAN: FYEPS4443G), Company Secretary had resigned from the office of Company Secretary of the Company on 07/06/2022. Further the Company after evaluating the best candidate to be appointed as the Company Secretary of the Company appointed Mr. Joydeep Sarkar (PAN: GEDPS6725H), Company Secretary was appointed as the Company Secretary and Compliance officer of the Company on 01/12/2022.

In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the Company, Ms. Sayeeda Hina (DIN: 03642269), Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers herself, for re-appointment pursuant to provisions of Section 152 of the Act.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

At the time of appointment of Independent Director, through the induction process, he/she is familiarized with the Company, the Director's roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Detailed presentations are made before the Board Members at the Board and its Committee Meetings covering various areas including business, strategy, financial performance and forecast, compliances/regulatory updates, audit reports, risk assessment and mitigation, industry, roles, rights, responsibilities of Independent Directors, etc. The Familiarization Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

The details of training and familiarization programs are available on our website at https://www.starcominfotech.com/images/starcom/pdfs/familiarisation_programme_Independent_Directors.pdf

The Company has a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The Board and its Committee evaluations involved questionnaire-driven discussions that covered a number of key areas / evaluation criteria inter alia the roles and responsibilities, size and composition of the Board and its Committees, dynamics of the Board and its Committees and the relationship between the Board and management. The results of the reviews were discussed by the Board as a whole. Feedback was also sought on the contributions of individual Directors. Formal Annual Evaluation was made in compliance with all the applicable provisions of the Act. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external forces affecting the industry in which Company operates.

None of the Directors are related to each other or KMP of the Company except Mr. Ziaulla Sheriff and Ms. Sayeeda Hina, being father and daughter.

The following policies of the Company are attached herewith marked as **Annexure I**.

- i. Policy for selection of Directors and senior management and determining Directors independence and
- ii. Remuneration policy for Directors, Key Managerial Personnel and other employees.

11. Number of Meetings of the Board:

The Board met Five (5) times during the financial year. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Attendance at the Board meetings:

Name of Director	Date of Board Meeting				
	30 th May 2022	13 th August 2022	8 th September 2022	14 th November 2022	14 th February 2023
Ziaulla Sheriff	Present	Present	Present	Present	Present
Maddur Gundurao Mohankumar	Present	Present	Present	Present	Present
Sayeeda Hina	Present	Present	Present	Present	Present
Mohammad Yousuf Khan	Present	Present	Present	Present	Present

Further the Independent Directors of the Company met once (1) on 14th February 2023 and all Independent Directors were present in the meeting.

12. Committees of the Board:

As on March 31, 2023, the Board had three committees, namely: the audit committee, the nomination and remuneration committee, stakeholder's relationship committee.

A. Audit Committee:

Terms of reference:

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Investigate any matter within its terms of reference or in relation to the compliance with the provisions of the Companies Act, 2013 or referred to it by the Board;
- To seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary;
- Have full access to information contained in the records of the Company.

The role of the Committee includes the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible;
- To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditor, and to review the manner of rotation of Statutory Auditor;
- To approve transactions of the Company with related parties, including modifications thereto;
- To review and monitor the Statutory Auditor's independence and performance, and effectiveness of the audit process;
- To evaluate the Company's internal financial controls and risk management systems;
- Scrutiny of inter-corporate loans and investments;
- To review with the management the Annual and Quarterly financial statements and Auditor's Report thereon before submission to the Board for approval;

As on March 31, 2023 the committee comprises of three directors viz. Ms. Sayeeda Hina, Mr. Mohmmad Yousuf Khan and Mr. Maddur Gundurao Mohankumar and Mr. Maddur Gundurao Mohankumar (independent Director) is the chairman of the committee. The company secretary of the company is the secretary to this committee.

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise as required under the Companies Act, 2013.

All the major steps impacting the financials of the Company are undertaken only after the consultation of the Audit Committee.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

Further, the committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

During the year under review, the audit committee met Four (4) times on 30/05/2022, 13/08/2022, 14/11/2022 & 14/02/2023 and the gap between two meetings did not exceed one hundred and twenty days. The Composition & attendance of the members of the committee is given below: -

Audit Committee Member	Category	No. of Meetings Attended
Mr. Maddur Gundurao Mohankumar	Independent Director & Chairman	4
Ms. Sayeeda Hina	Non-Executive Director	4
Mr. Mohammad Yousuf Khan	Independent Director	4

B. Nomination and Remuneration Committee:

Terms of reference:

- To determine the compensation packages of Executive Directors and Senior Executives of the Company. The committee will review recommendations made to it by the Company and others.
- To act as the duly authorized committee of the Board.
- To determine the parameters and supervise the operation of the bonus schemes of the Company.
- To investigate any activity within its terms of reference.
- To seek any information from any employee of the Company. Employees are directed to cooperate with any relevant request made.
- To obtain outside legal or independent professional advice. Such advisors may attend meetings as necessary.
- To incur such reasonable expenditure, as it deems necessary.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.

The Board has constituted a Nomination and Remuneration Committee in line with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Committee, inter-alia, co-ordinates and oversees the annual performance evaluation of the Board, Committees and individual Directors.

As on March 31, 2023 the committee comprises of three directors viz. Ms. Sayeeda Hina, Mr. Mohmmad Yousuf Khan and Mr. Maddur Gundurao Mohankumar and Mr. Maddur Gundurao Mohankumar (independent Director) is the chairman of the committee. The company secretary of the company is the secretary to this committee.

During the year under review, the Nomination and Remuneration Committee met Four (4) times on 30/05/2022, 13/08/2022, 14/11/2022 & 14/02/2023. The Composition & attendance of the members of the committee is given below:

Nomination and Remuneration Committee Member	Category	No. of Meetings Attended
Mr. Maddur Gundurao Mohankumar	Independent Director & Chiarman	4
Ms. Sayeeda Hina	Non-Executive Director	4
Mr. Mohammad Yousuf Khan	Independent Director	4

C. Stakeholders' Relationship Committee:

Terms of Reference

The Committee monitors the Company's response to investor complaints like non receipt of dividend, annual reports, notices etc. It has also been authorized to approve the issue of duplicate share certificates in lieu of those lost or destroyed. The composition and terms of reference of the Committee are in conformity with the requirements of Regulation 20 of the Listing Regulations and provisions of Section 178 of the Act. The Committee has been empowered to consider and resolve the grievances of the security holders of the Company.

Functions and Powers:

- To review statutory compliance regarding the Equity share (Investors);
- To review various reports related to Investors;
- To review grievances of Investors;
- To review transfer of shares;
- To review transmission of shares;
- To review deletion of names from share certificates;
- To review change of name of Member on share certificates;
- To review issue of duplicate share certificates;
- To review dematerialization of shares and
- Any other matter relating to the above mentioned functions incidental to the shareholders/investors of the Company.

In accordance with the provisions of the Listing Regulations, the power to execute transfers, transmissions, etc. of shares in the physical form has been delegated to the Registrar & Share Transfer Agents.

As on March 31, 2022 the committee comprises of three directors viz. Ms. Sayeeda Hina, Mr. Ziaulla Sheriff and Mr. Maddur Gundurao Mohankumar and Mr. Maddur Gundurao Mohankumar (independent Director) is the chairman of the committee. The company secretary of the company is the secretary to this committee.

During the year under review, the Nomination and Remuneration Committee met Four (4) times on 30/05/2022, 13/08/2022, 14/11/2022 & 14/02/2023. The Composition & attendance of the members of the committee is given below:

Nomination and Remuneration Committee Member	Category	No. of Meetings Attended
Mr. Maddur Gundurao Mohankumar	Independent Director & Chiarman	4
Ms. Sayeeda Hina	Non-Executive Director	4
Mr. Ziaulla Sheriff	Executive Director	4

D. Corporate Social Responsibility Committee:

During the year under review, the Company did not fall within the purview of Section 135 of the Companies Act, 2013 and it was not mandatory for the Company to constitute committee on Corporate Social Responsibility or incur any expenditure

towards Corporate Social Responsibility. Hence the Company has not constituted the Corporate Social Responsibility Committee.

13. Policy on directors’ appointment and remuneration and other details:

The appointment of the Directors and the Key Managerial Personnel is recommended to the Board by the Nomination and Remuneration Committee. The Company has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and other employees. A copy of the policy is appended as Annexure I to the Board’s Report.

14. Loan from Directors:

The Company has taken loans from Directors during the year under review and have obtained declaration pursuant to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014.

As per the requirement of proviso to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of money accepted by the Company from the Director during the financial year 2022-23 is mentioned below:

(Amount in Lakhs)

Name of Director	Designation	Amount of Loan Outstanding as on 31 st March 2023
Ziaulla Sheriff	Managing Director	1,461.08

15. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future:

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

16. Vigil Mechanism and Whistle Blower:

Pursuant to provisions of section 177 (9) of the Companies Act, 2013, the Company has established a “Vigil mechanism” incorporating Whistle Blower Policy in terms of the Listing Obligations and Disclosure Requirements, 2015 for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, frauds or violation of the codes of conduct by way of direct access to the Chairman of the Audit Committee in exceptional cases. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The policy on vigil mechanism/ whistle blower policy may be accessed on the Company’s website at <http://www.starcominfotech.com/images/starcom/pdfs/VigilMechanism.pdf>

17. Internal Financial Control & Adequacy:

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements commensurate with the size, scale and complexity of its operations including proper delegation of authority, policies

and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. In case weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls.

During the year, controls were tested and reportable material weakness were identified. The Auditors had also stated about material weakness in their report on adequacy of internal financial control. The Company is taking necessary steps to improve the documentation in respect of specific policies and procedures and the IT Controls pertaining to internal financial controls over financial reporting.

18. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

The Company has not declared any dividend during the Financial Year 2022-23 and hence no unclaimed Dividend was transferred to the Investor Education and Protection Fund.

19. Corporate Social Responsibility (CSR):

The provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company and therefore no report is attached under this head.

20. Disclosure under Sexual Harassment of Women at Work Place – Prevention Prohibition and Redressal Act, 2013:

The Company has in place an Anti-sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been setup pursuant to the provisions mentioned under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to the constitution of Internal Complaints Committee to redress the complaints received regarding sexual harassment. All employees are covered under this Policy. The policy is gender neutral.

During the year under review no cases were filed/pending with respect to sexual harassment.

21. Corporate Governance:

As per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the provisions of Corporate Governance are not applicable to your Company. Thus, the Company is not required to annex a Report on Corporate Governance.

22. Management Discussion & Analysis Report:

As required under Regulation 34 read with Schedule V(B) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, report on "Management Discussion and Analysis" is attached as Annexure II and forms a part of this Report.

23.Extract of annual return:

In accordance with Section 134(3)(a) read with Section 92(3) of the Act, the Annual Return in Form MGT-7 is placed on the website of the Company and same can be downloaded by clicking on the following link: <https://starcominfotech.com/investors.aspx>

24.Particulars of Employees:

The information required to be disclosed with respect to the remuneration of Directors and KMPs in the Directors' Report pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure III.

There was no employee drawing remuneration more than the limit mentioned under Rule 5(2)(i) to (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The names of top ten employees of the Company in terms of remuneration drawn as required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is set out as Annexure IV.

The Company does not have any Holding Company or Fellow Subsidiary Company and thus, provision w.r.t. receipt of commission from them is not applicable.

25.Health, Safety and Environment:

Your Board is committed to highest standards of providing healthy environment for safety of its employees and your Board reviews the same from time to time.

26.Particulars of Loans, Guarantee & Investment:

Details of loans, guarantees and investments under the provisions of section 186 are given in notes to financial statements.

27.Directors' responsibility statement:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The IND AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The directors confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and are prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- They have prepared the annual accounts on a going concern basis.
- They have laid down the internal financial controls to be followed by the Company and that they are adequate and were operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. Statutory Auditors:

In accordance with the Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rule, 2014, at the Annual General Meeting (AGM) held on 30th September 2022, M/s CAS & Co. (formerly known as K.M. Tulsian & Associates) Chartered Accountants (Firm Registration No. 111075W) were appointed as Statutory Auditors of the Company for a term of 5 years from the conclusion of the 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting.

The requirement for annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

During the year, the Statutory Auditors have confirmed that they satisfy the Independence criteria required under Companies Act, 2013 and Code of ethics issued by Institute of Chartered Accountants of India. Further the auditors have also confirmed that they have been peer reviewed and a certificate to that extent has been obtained by the Company.

The Statutory Auditors of the Company have provided a Qualified Opinion of the Financial Statements of the Company which comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and notes to financial statements a summary of the significant accounting policies and other explanatory information.

The management's reply to the observations/Qualification in the Statutory Audit Report is given under:

Clause No.	Statutory Observations	Auditors' Remarks/	Management Reply
a.	As stated in note 37 of the financial statements, The Company have an overdue statutory dues as on 31st March 2023 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 251.22 lacs (including interest oi Rs. 136.51 lacs), Provident Fund / ESIC / Professional Tax of Rs. 209.96 lacs (including interest of Rs. 100.38 lacs) and Tax Deducted at Source or Rs. 761.92 lacs (including interest of Rs. 351.40 lacs). Though the Company has provided for interest up to 31st March 2023 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.		The company has paid a sum of INR 9.80 Lakhs in FY 22-23 and will be servicing all the statutory dues in the next financial year.
b.	As stated in note 38 of the financial statements, the Company has not provided rent for the year ended 31st March, 2023 amounting to Rs. 113.84 lacs in respect of office premises owned by a promoter of the Company jointly with his partner in other business. since the Company is having stress in working capital finance and major funds are utilized in intangible assets under development and current pandemic situation. Had these expenses have been recognized by the Company, Rent expense, loss for the year would have been higher by Rs. 113.84 lacs and liabilities and debit balance of other equity would have been higher by Rs.455.36 lacs as at 31st March, 2023.		There is no rental agreement between the Company and Landlord currently. Rental provision will be made as per the new rental agreement, if any.
c.	Attention is invited to Note no. 39 in respect of Intangible Assets under Development amounting to Rs. 2431.02 lacs which is not completed since long time. In the absence of appropriate audit evidence, we are unable to comment whether it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and impairment loss if any in respect of the same. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company		The Company has initiated the process of capitalizing the Intangible assets and in the coming financial year the same will be completed and will be registered as an Intellectual Property.
d.	Attention is invited to Note no. 40 in respect of deferred tax assets amounting to Rs. 131.49 lacs, in the absence of appropriate		The company has recognized deferred tax assets as management believes that

	audit evidence for reasonable certainty of its realisation, had the said deferred tax assets have not been recognised, loss for year end, debit balance of other equity would have been higher by and assets would have been lower by Rs. 131.49 lacs.	the Company will generate sufficient profits in near future to realise the same.
e.	<p>Material Uncertainty Related to Going Concern</p> <p>Attention is invited to Note No. 41 to the accompanying financial statements which indicate that 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. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the company has prepared its financials on going concern basis, as 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.</p>	The management is actively pursuing prospective investors to meet its working capital requirements and is confident that once the working capital requirement of the Company is met, the operations of the Company will make profits in future.
f.	<p>Observation pursuant to the Companies (Auditors Report) Order, 2020</p> <p>According to the records of the Company, amount deducted / accrued in the books of accounts in respect of the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess, Goods and Service Tax and other statutory dues wherever applicable to the company have not been regularly deposited with the appropriate authorities. As stated in note 37 of the financial statements, The Company have an overdue statutory dues as on 31st March 2023 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 251.22 lacs (including interest oi Rs. 136.51 lacs), Provident Fund / ESIC / Professional Tax of Rs. 209.96 lacs (including interest of Rs. 100.38 lacs) and Tax Deducted at Source or Rs. 761.92 lacs (including interest of Rs. 351.40 lacs). Though the Company has provided for interest up to 31st March 2023 in respect of these liabilities, any other</p>	The company has paid a sum of INR 9.80 Lakhs in FY 22-23 and will be servicing all the statutory dues in the next financial year.

	consequential impacts as per the respective laws are not ascertained at present	
g.	<p>Observation pursuant to the Companies (Auditors Report) Order, 2020</p> <p>According to the information and explanations given to us and based on our audit procedure, the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to ICICI Bank</p>	There was a slight delay in the repayment of interest to ICICI Bank but the Company has repaid the entire amount of loan including interest thereon to ICICI Bank and the loan has been closed.
h.	<p>Observation pursuant to the Companies (Auditors Report) Order, 2020</p> <p>On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, and as mentioned in note 41 to the financial statements, the Company has suffered heavy losses during the current and previous years, its net worth has been completely eroded .Accordingly material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.</p>	The management is actively pursuing prospective investors to meet its working capital requirements and is confident that once the working capital requirement of the Company is met, the operations of the Company will make profits in future and this will help the Company build back its net worth.

29. Secretarial Auditor:

As required under Section 204 of the Companies Act, 2013 and Rules there under, the Board appointed Mr. Supriya Kumar Guha, Practicing Company Secretary, (Membership No. 2625, Certificate of Practice No.: 14795) as Secretarial Auditor of the Company for financial year 2022-2023. The Secretarial Audit Report issued by M/s. Supriya Kumar Guha for the financial year 2022-23 in Form MR-3 forms part of this report and marked as Annexure V. The reply from the Board on the remarks/ qualifications of the Secretarial Auditors is as under:

Sl. No.	Secretarial Auditors' Remarks/ Observations	Management Reply
1.	The Company has delayed in submitting the Annual Report to the Bombay Stock Exchange (BSE) pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and paid a fine	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.

	of INR 11,800/- (Eleven Thousand Eight Hundred only) inclusive of Goods and Service Tax (GST).	
2.	The Company delayed in intimation of Board Meeting of the Company for the Month of November 2022 to the BSE pursuant to Regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and paid a fine of INR 11,800/- (Eleven Thousand Eight Hundred only) inclusive of Goods and Service Tax (GST).	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.
3.	The Company has delayed in submitting the statement of Investor Complaints for the Quarter ended December 2022 to the BSE pursuant to Regulation 13(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and paid a fine of INR 4,720/- (Four Thousand Seven Hundred and Twenty only) inclusive of Goods and Service Tax (GST).	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.
4.	The Company has not filed the reporting of annual return on Foreign Liabilities and Assets (FLA) for the Financial Year (FY) 2020-2021, FY 2021-22 and FY 2022-23 as required under the Foreign Exchange Management Act, 1999 even though it has foreign / non-resident shareholding.	The Company has initiated the process of filing the FLA required under the Foreign Exchange Management Act, 1999 and the delay will be rectified shortly.
5.	The Company has appointed M/s Nagaraj & Ajith, Chartered Accountants (FRN: 010986S) as the Internal Auditors of the Company pursuant to Section 138 of the Companies Act 2013 but have failed to file Form MGT-14 with the Registrar of Companies.	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.
6.	The Company has not paid any Profession Tax for the FY 2022-23 pursuant to the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976.	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.
7.	The Company has failed to pay the Employees' Provident Fund deducted with respect to the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act 1952 for the Financial Year 2022-23.	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.
8.	The Company has delayed the payment of Annual Listing fee to BSE	The Management has noted about the delay and has undertaken that the same

		shall be taken care of in the future.
9.	The Company has delayed the payment of annual fees to National Securities Depositories Limited and Central depository Services Limited.	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.

30.Internal Auditors:

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, and on the basis of the recommendation of Audit Committee, M/s Nagaraj & Ajith, Chartered Accountants (FRN: 010986S) (formerly known as M/s. Mahesh & Nagaraj Chartered Accountants) continue to act as the Internal Auditors of the Company for the financial year 2022- 2023.

31.Cost Records and Cost Audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

32.Related Party Transactions:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including transactions entered at arm's length under third proviso, in prescribed Form No. AOC -2, is appended as Annexure VI to the Directors' Report.

33.Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as prescribed under Sub-Section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is attached as Annexure VII.

34.Research & Development Activities:

The Management of your Company has been committed to building a strong R&D culture from day one and has set clear R&D goals. In order to achieve these goals, the Company has focused on furthering the efficacies of R&D activities as well as building synergies among multiple-impact technologies.

35.Secretarial Standards:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

36. Subsidiaries, Joint Ventures & Associates:

The Company did not have any Subsidiary Company/Joint Venture/Associate Company during the year under review.

37. Reporting of Fraud by Auditors:

During the year under review, the Statutory Auditors have not reported under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

38. Risk Management:

The Company's robust risk management framework identifies and evaluates all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, legal, regulatory, reputational and other risks. The Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions.

Risk management is an integral part of our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

The Board periodically discussed and reviewed the Risk Management Policy to strengthen the optimal risk mitigation responses, reporting of risk and efficient management of internal control. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

39. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year:

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016.

40. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

There are no difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

41. Green Initiative:

Electronic copies of the Annual Report 2022-23 and the Notice of the AGM are sent to all the members whose email addresses are registered with the Company.

42.General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iii. Issue of sweat equity shares.
- iv. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013).
- v. Explanation for deviation in use proceeds of public issue, rights issue, preferential issue etc.
- vi. Details in respect of frauds reported by Statutory Auditors under Section 143(12) other than those which are reportable to the Central Government.

Further the Company is following the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

43.Acknowledgements:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from Financial Institutions, Government Authorities, customers, vendors, members and all stakeholders of the Company during the year under review.

Further, your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

Furthermore, your Directors wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Place: Bengaluru
Date: 07/09/2023

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

Sd/-
Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

ANNEXURE -I

Nomination & Remuneration Policy

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Level of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Section 178 of the Companies Act, 2013 this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Terms of Reference:

Following is the terms of reference of the Nomination and Remuneration Committee:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Board has the authority to reconstitute the Committee from time to time.

Definitions:

1. Board means Board of Directors of the Company.
2. Directors mean Directors of the Company.
3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. Company means Starcom Information Technology Limited.
5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means:
 - a. Executive Chairman and / or Managing Director

- b. Whole-time Director
- c. Chief Financial Officer
- d. Company Secretary
- e. Such other officer as may be prescribed under the applicable statutory provisions /regulations
- f. Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

General:

This Policy is divided in three parts:

Part – A covers the matters to be dealt with and recommended by the Committee to the Board,

Part – B covers the appointment and nomination and

Part – C covers remuneration and perquisites etc.

PART A:

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B:

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. Term / Tenure:
 - a. Managing Director/ Whole-time Director: - The Company shall appoint or reappoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 - b. Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.
5. Evaluation: The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).
6. Removal: Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
7. Retirement: The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior

Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C:

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

General:

1. The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company & Central Government, as required.
2. The remuneration and commission to be paid to the Managing Director and the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel:

1. Fixed pay: The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
3. Provisions for excess remuneration: If the Managing Director or the Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

1. Remuneration / Commission: The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.
2. Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed Rs.20,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulation which makes any provision of the policy inconsistent with the Act or Regulations, the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law.

The policy shall be reviewed by the Nomination and Remuneration Committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the Committee. Any change or modification in the policy as recommended by the Committee would be given for approval to the Board.

Place: Bengaluru
Date: 07/09/2023

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

Sd/-
Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

ANNEXURE – II

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS OVERVIEW

The Company is a public limited company incorporated and domiciled in India and with its registered office at Bangalore, Karnataka, India. The Company has its primary listings on BSE Limited. The growth momentum of the Company has again picked up though the performance of the Company has been adversely affected owing to Covid restrictions. The company continues to attract top talent and win new customers and strengthen existing customer relationships. The Company is aspiring to be an eminent global IP driven solution provider in the MDM, Data quality, Business Intelligence and Data Analytics space.

MISSION

Our mission is to enable every organization to realize the power of their data with trust and speed. The suite of products from Starcom integrates data and applications in real time across cloud and big data environments, as well as traditional systems, allowing organizations to develop a unified view of their business and customers across organizational and technology silos. We are a key enabler of the data-driven enterprise where data is a strategic asset powering business.

Our flagship platform Star360 allows customers in any industry to improve business performance by using their data to create new insights and to automate business processes. Our customers rely on our software to better understand their customers to improve their sales, services and compliance. The amount of data available for decision making is increasing dramatically, and the technology to analyze and act on that data is becoming more capable and ubiquitous. The growing capabilities of cloud data warehouses have created a powerful and easy-to-use alternative to on-premise infrastructure that is accelerating the shift of data to the cloud and expanding the availability of big data and machine learning technologies to organizations of all sizes. At the same time, the increasing pace of business is driving the need for more real-time data processing and the need to make data-driven decisions throughout organizations, creating demand for self-service business and analytical applications. Data infrastructure has begun to shift to cloud platforms to enhance agility, elasticity, scalability, and time-to-value. As a result, organizations require agile, real-time data integration and integrity solutions that support their evolving needs.

Starcom products Star360, StarDQ and Star BI provide a comprehensive, flexible solution to address IT integration needs across industries. It works seamlessly across on-premise and cloud

environments to connect both traditional and big data environments. Organizations can quickly integrate all forms of data across systems and applications at scale, with significantly improved performance and lower total cost of ownership than traditional data integration approaches. Star360 interoperates and natively integrates with cloud data platforms such as Amazon AWS and Microsoft Azure, while including extensive support for cloud data warehouses such as Amazon Redshift, Microsoft Azure Data Warehouse.

Our flexible architecture enables us to rapidly adopt new technologies as they emerge and support evolving cloud environments so that our customers can maximize the value of their data investments. Our technology allows our customers to manage both batch and real-time data processing and incorporate machine learning to leverage data for the automation of operational workflows. Our flexible cloud architecture allows organizations to operate in a cloud-based environment, in their on-premise datacenter, in private clouds, or in any hybrid combination.

We are in the early stages of four disruptive trends that are reshaping the IT industry: The amount & availability of increasing data; adoption to Cloud & Big data technologies; and change in buying behavior are creating an increasing number of new opportunities for organizations to be data driven. It is now, more than ever, critical for organizations to have an IT strategy that enables them to leverage data to support their business initiatives. To do this, IT teams must be able to work with new data platforms and fluidly address high volume, IoT, Artificial Intelligence, Machine Learning initiatives with self-service and real-time scenarios.

PRODUCTS

Starcom Information Technology Limited is a leader for Automated data management and Customer 360 platform which includes **Customer 360°, Data Quality, Business Intelligence & Data Analytics** Products and Services.

STAR360° An Interactive UI driven Self Service Customer 360 automated platform, serves as single point of contact for front-end Digital systems, CRM Systems, Business Intelligence, Call Center, Bots and Mobile Apps to deliver the comprehensive 360° view of the Customer. **Star360** platform has an embedded **StarDQ** to perform Data Quality activities such as Cleansing, Enrichment, Deduplication etc.

Star 360 features:

- Sourcing data from multiple databases pertaining to various LOB's running in silos.

- Manages the Cleansing, Standardization and Enrichment of data before homogenizing the same with a common reference database, based on fixed and custom rules
- De-Duplicates the Customer records sourced from multiple silos & produces a refined database repository which is 'single source of truth' for all Customer related queries.
- Collates the connected data pertaining to Customers into the same database repository to make it as single point of reference about the associated relationships for the selected Customer.
- Offers Source to Target Visual Data Reconciliation.
- Offers UI based monitoring control panel to manage the internal processes with suitable reports and dashboards coupled with alerts and notifications.

STAR[★]DQ A powerful, real time automated enterprise solution for Data Cleansing, De-duping, Clustering and enriching the data. **StarDQ** has processed more than 1 Billion Customer Records, **StarDQ** is a completely **Automated Data Quality** engine which embeds into the customer's existing business workflow and eliminates the need for any manual data quality teams and services.

With our Architecture customers can run the complete **cleansing, enrichment** and **de-dupe** process in 2-3 hours on daily incremental data sets with 10 Million historical records. Traditionally this activity would take days if not months for multiple data sets across various sources. The engine works on **Scheduling** basis and is timed to run every day after the working hours so that incremental data coming in daily gets de- duped with Historical Data and clustered during the night. **StarDQ** can implement specific Business Rules for each Dataset. The scalable architecture is the key feature of the product which easily handles millions of records and maintains the batch timings. The online verification module allows business users to access the **Golden Records** to get the credentials (unique/Duplicate) of the new record being created in the business system on a real-time basis.

Data Steward Module:

StarDQ engine provides enriched data and more accurate de-duplication results most of the time. If the input records don't meet the minimum criteria as per business rules, then those records get flagged as '**erroneous**' and will be not considered for de-duplication process. These 'erroneous' records require manual intervention/ corrections [by means of Data Stewardship] to form better/meaningful clusters and standardization.

Data Steward Tool has two activities:

- Manual Data correction /enrichment for failure cases/erroneous records
- Manually correct any specific instances of wrong de-duplication/ clustering

STAR[★]RBI Self Service business intelligence software empowers business users by turning data into actionable insights and enable organizations to improve their decision making. **StarBI**, an intelligent self-service Business Intelligence tool, allows you to **discover trends, track KPIs and visualize data**. Connect to multiple data sources, create and schedule reports & dashboards, set alerts and run **predictive analytics** with our **drag-and-drop GUI** in less than 10 clicks!

NISA In Computer Aided Engineering (CAE)/Finite Element Analysis (FEA) industry, we have NISA. Which is is one of the most comprehensive Finite Element Analysis suites available globally. NISA features a completely integrated pre/post- processing environment within a state-of-the-art GUI, seamless interoperability with leading commercial CAD software Computer

Aided Engineering (CAE)/Finite Element Analysis (FEA) industry is a huge market globally, growing consistently across application areas and requirements, which is projected to grow consistently into the predictable future as well.

NISA Software Suite for FEA, has the potential to tap into this market by offering fast and accurate solutions in the areas of its core competency. NISA is one of the few, commercially available, mature and robust Finite Element Analysis (FEA) software that enjoys a long-standing presence in the arena of engineering analysis and design. NISA addresses the needs of varied industries like Aerospace, Automotive, Power and Energy, Oil and Gas, Marine Engineering, Sports goods, Electronic Packaging, Biomedical and Civil-Structural Engineering to name a few.

With NISA we can spread our Customer base to all corners of the Globe, specially with our flagship modules like NISA Mechanical, NISA Civil & NISA Design Studio.

DEFENCE The Defence Research & Development Organization (DRDO), India's premier defence research organization, has over 50 laboratories under its aegis. Defence and Aerospace remains a critical sector for India – and for the success of key Government schemes like Make in India. With its mighty Defence industrial base, staggering Defence budget, we have found our sweet spot for growing our revenues. Our company has been a registered MSME vendor, serving 20 of the DRDO's with more than 100 successful projects in the past many years.

We have contributed successfully in key projects such as the Long Range Surface to Air Missile (LRSAM), the Astra Beyond Visual Range Missile (BVRM), Airborne Early Warning and Control System (AEW&CS) and the Rustom-II Unmanned Ariel Vehicle & Tejas, Advanced Light Combat. The Indian government has set the defence production target at US\$ 25 billion by 2025 (including US\$ 5 billion from exports by 2025). Accordingly, we have a big pipeline of upcoming projects limited only by our capacity to execute.

Opportunities & threats- Our Strengths:

We believe our Solutions address the markets for Automation, Master Data Management, which IDC estimates combined were \$17 billion in 2016 and are forecasted to reach \$23 billion in 2020. IDC forecasts the data integration and integrity market to grow from \$6.0 billion in 2017 to

\$9.8 billion in 2022. We believe that these markets will further expand as a portion of spend on hand-coded integrations will transition to software-based integration solutions given the time consuming and expensive process of manual integrations coupled with the scarcity of personnel with the requisite technical skills. The transformative change in IT infrastructure is driving a dramatic shift to cloud platforms to address infrastructure and data warehousing needs. This is driving rapid growth in cloud integration. According to IDC, the market for Cloud Data Integration and Integrity Software is forecast to reach \$2.3 billion by 2022, representing a 30% CAGR from 2018. Our Star360 Platform is offered as both a SaaS or premise offering, and works seamlessly across a customer's on-premise, cloud and hybrid environments to integrate data in real time from both traditional and big data environments. We enable organizations to unlock the value of their data to create real-time, predictive insights. Customers can use a single design environment to create intelligent data flows with machine learning algorithms that can process both batch and real-time streaming data to automate

the delivery of insights.

Marketing

Our Marketing Team is responsible for increasing the awareness of Starcom Solutions, fostering the MDM community, generating demand, gathering market feedback and enabling our field sales team to effectively sell our solution. Free trial editions of our products are key drivers of awareness and initial usage. When deciding whether to purchase our Solutions, our customers primarily learn from white papers, webinars and third-party research before engaging with our sales team. It is a key mission of the marketing team to support and accelerate this learning process. The marketing team includes the following functions: SEO, Lead Generation, marketing communications, field marketing and product management .

Sales

We sell our software and services through both a direct sales force and indirect channel partners globally. We also offer our StarBI via a self-service e-commerce platform which typically does not require the involvement of sales personnel or partners. Our sales efforts are built on a land-and-expand sales model. To facilitate market adoption, we offer a free trial version of our products and these downloads become leads for our marketing and sales organization to develop and close. After an initial deployment, organizations often purchase more products, add licenses or expand usage to additional modules from Starcom Solutions. We sell our apps to organizations of all sizes and the majority of our sales are through our direct sales force. Our direct sales force includes an inside sales team which is closely aligned with a Field sales team. Post-sale, our customers are managed by a dedicated customer success team. Our customer success team is responsible for driving successful deployments, maintaining customer relationships, renewing existing contracts and identifying expansion opportunities within existing customers.

OUR STRATEGY

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while generating profitable growth for our investors. In order to do this, we will apply the priorities of 'renew' and 'new' to our own business and cascade it to everything we do.

Our Business strategy is based on a "land and expand" business model and is designed to capitalize on the ease of use, low up-front cost and collaborative capabilities of our software. To facilitate rapid adoption of our products, we provide fully-functional free trial versions of our products on our website and have created a Flexible and Simple Annual Subscription pricing model. After an initial trial or purchase, which is often made to target a specific business need at a grassroots level within an organization, the use of our products often spreads across departments, divisions, and geographies, via word-of-mouth, discovery of new use cases, and our sales efforts.

Our Growth Strategy - Key drivers:

- Maintain our technology leadership.
- Grow our customer base.
- Expand our ecosystem of partners.

- Continue to grow globally.

OUR COMPETITION

We experience competition in solution delivery and see a rapidly-changing marketplace with new competitors arising in new technologies who are focused on agility, flexibility and innovation.

We typically compete with other technology solution providers in response to requests for proposals. Clients often cite our industry expertise, comprehensive end-to-end solutions, ability to scale, superior quality and process execution, Global Delivery Model, experienced management team, talented professionals and track record as reasons for awarding us contracts.

1.Segment-wise Performance:

The segment-wise performance of the Company during the year is given below:

Particulars	Year ended 31st March 2023 (Amt in Lakhs.)
A. Segment Revenue	
1. Test, Measurement & Embedded Solutions for Educational Sector	108.78
2. Data Quality ,Statistical & Analytics Software	92.89
Total Revenue	201.67
B. Segment Results	
1. Test, Measurement & Embedded Solutions for Educational Sector	36.30
2. Data Quality ,Statistical & Analytics Software	42.25
Total	78.55
Less: Finance Charges	49.02
Unallocable Expenditure	583.51
Add: Exceptional Item	
Total Profit Before Tax	(553.98)

Less: Tax Expenditure	(29.68)
Total Profit After Tax	(524.30)
C. Capital Employed	
1.Test, Measurement & Embedded Solutions for Educational Sector	80.92
2. Data Quality ,Statistical & Analytics Software	3066.20
3.Unallocated	185.86
Total Capital Employed	3,332.78

2.Outlook:

In order to meet the changing market realities, our Company has been following the philosophy of providing the highest quality products and solutions at the lowest possible prices.

All endeavors are made to achieve possible cost reduction in every area of operations.

Our Company's philosophy is to provide high class quality products i.e. full value for money to consumers; this would greatly benefit in the long run.

Our Company believes in building and maintaining deep customer relationships and become a trusted business partner to global enterprises.

3.Risks and concerns:

The Company has been initiating various risk management programs to combat strategic, operational and financial as well as compliance-related risks across various levels of the organization. It includes risk assessment and mitigation at the company level, business / functional unit level, relationship level and project level. The risk management process is continuously improved and adapted to the changing global risk scenario. The agility of the risk management process is monitored and reviewed for appropriateness with the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event driven as well as quarterly basis.

4.Internal Control systems and their adequacy:

The Company maintains adequate internal control system, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against significant misuse or loss of Company's assets.

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. However, the Company is taking the necessary steps to improve the documentation with respect to the specific policies and procedures and the

IT Controls pertaining to internal financial controls over financial reporting.

5. Discussion on financial performance with respect to operational performance: Financial performance:

Particulars	2022-23 (Amount in Rs.)	2021-22 (Amount in Rs.)	Change (%)
Revenue from operations (1)	201.67	353.12	(42.89)
Other income (2)	0.33	9.43	(96.50)
Sub-total (1+2)	202.01	362.55	(44.28)
Total Expenditure	755.99	940.31	(19.60)
Profit/(Loss) before Tax	(553.98)	(577.76)	4.12
Profit/ (Loss) after Tax	(524.30)	(532.26)	1.50

There has been decrease of in the revenues of the Company as compared to the previous year by -42.89%. The total expenses got marginally decreased by 19.60% from Rs.94.031 Lakhs in the previous year to Rs.755.99 Lakhs in the current year. However, the other income of the Company has reduced by (96.50%). During the current financial year the Company has recorded Loss after tax of Rs.(524.30) Lakhs as compared to the Loss after tax of Rs. (532.26) Lakhs in the previous year. The Company is expected to earn profits in the coming years.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Details of significant changes in key financial ratios are given as under:

Sl No.	Particulars	2022-23	2021-22	Variation (%)
i.	Debtors Turnover	0.33	0.46	(28.20)
ii.	Inventory Turnover	22.08	9.49	132.67
iv.	Current Ratio	0.13	0.18	(27.78)
v.	Debt Equity Ratio	(1.82)	(3.14)	42.03
vi.	Operating Profit Margin	(228.94)	(139.20)	(64.47)
vii.	Net Profit Margin	(259.54)	(146.81)	(76.78)
viii.	Return on Net worth	(11.37)	(12.89)	11.79

Reason for change in 25% or more in key financial ratios as compared to the immediately previous financial year:

- i. **Debtors Turnover Ratio:** During the year under review, the Debtors Turnover ratio decreased mainly due to reduction in sales
- ii. **Inventory Turnover Ratio:** There was an increase in inventory turnover ratio due to fall in sales
- iii. **Current Ratio:** Decline in ratio is on account decrease in Trade Receivables and increase in short term borrowings
- iv. **Debt Equity Ratio:** Sharp decrease on account of increase in borrowing & increase in Loss
- v. **Operating Profit Margin:** The reduction is due to decrease in turnover and marginal decrease in expenses
- vi. **Net Profit Margin:** The reduction in margin is due to decline in sales.
- vii. **Return on Net Worth:** Return on Net worth as there was a sharp decrease in turnover

6. Material developments in Human Resources/ Industrial Relations front:

In any services enterprise, employees form the core of an organization. We recognize the vitality of this stakeholder. A significant portion of our management focus is invested in engaging with our employees and improvement of services to the client's satisfaction.

During the year the Company has not reported any Management-Employee conflict. The

Company is committed to create an appropriate climate, opportunities and systems to facilitate identification, development and utilization of employees' full potential on a continuous basis.

Number of employees:

There were 32 (including KMP) permanent employees on the rolls of the Company as on 31st March 2023.

Cautionary Statement:

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on, whether express or implied. Several factors could make a significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control. 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.

Place: Bengaluru
Date: 07/09/2023

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

Sd/-
Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

ANNEXURE – III

DETAILS OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

(pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

The median remuneration of employees of the Company during the Financial Year 2022-23 was INR 6,19,498/-. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 will be zero as no remuneration is paid to the Directors.

B. The percentage increase in remuneration of each Director and KMP, in the financial year:

During the Financial Year Ms. Nidhi Sharma (PAN: FYEPS4443G), Company Secretary had resigned from the office of Company Secretary of the Company on 07/06/2022. Further the Company after evaluating the best candidate to be appointed as the Company Secretary of the Company appointed Mr. Joydeep Sarkar (PAN: GEDPS6725H), Company Secretary was appointed as the Company Secretary and Compliance officer of the Company on 01/12/2022. No remuneration is paid to Directors & CFO of the Company.

C. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year 2022-23, there was a decrease of 17.40% in the median remuneration of employees.

D. The number of permanent employees on the rolls of Company:

There were 32 (including KMP) permanent employees on the rolls of the Company as on 31st March 2023.

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof:

Average percentile increase made in the salaries of employees other than the managerial personnel in the last Financial Year was 6.06% whereas no remuneration is paid to the Directors of the Company. This is based on the Nomination & Remuneration policy of the company that rewards people differentially based on their contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of.

F.Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

**Place: Bangalore
Date: 07/09/2023**

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

**Sd/-
Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098**

ANNEXURE – IV

STATEMENT OF PARTICULARS OF EMPLOYEES

pursuant to the companies (Appointment and Remuneration of Managerial Personnel)
Rules, 2014

SL. No.	-	-
Name	-	-
Designation	-	-
Remuneration Received (in INR)	-	-
Qualification	-	-
Experience in Years	-	-
Age in Years	-	-
Commencement of employment	-	-
Last employment held	-	-

None of the employees earned salary more than the prescribed amount during the year.

**Place: Bengaluru
Date: 07/09/2023**

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

**Sd/-
Ziulla Sheriff
Chairman and Managing Director
DIN: 00002098**

ANNEXURE V

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Starcom Information Technology Limited
(CIN: L67120KA1995PLC078846)
73/1, Sheriff Centre, 5th Floor,
St. Marks Road, Bangalore - 560001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Starcom Information Technology Limited** (CIN: L67120KA1995PLC078846) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company to the extent provided to me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Starcom Information Technology Limited ("the Company") for the financial year ended on 31st March 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there was no reportable event during the Financial Year under review.**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not Applicable to the Company during the Audit period as the Company has not issued any new securities;**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not Applicable to the Company during the Audit period as the Company has not issued any ESOP/ESPS;**

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities;**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not Applicable to the Company during the Audit period as delisting of securities did not take place;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit period as the Company has not bought back its securities**); and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other laws applicable specifically to the Company namely:
- a. Information Technology Act, 2000 and the rules made thereunder
 - b. The foreign Exchange Management Act, 1999
 - c. The Export and Import policy of India;
 - d. The Indian Copyright Act, 1957;
 - e. The Patents Act, 1970;
 - f. The Trade Marks Act, 1999;
 - g. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013
 - h. The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976.
 - i. The Employees' Provident Fund and Miscellaneous Provisions Act 1952

In respect of other laws specifically applicable to the Company, I have relied upon information produced by the Company during the course of my audit and the reporting is limited to that extent.

Further a detailed verification of the applicable laws was not conducted due to non-availability of the necessary information.

We have also examined compliance with respect to the Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

Note: Regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company as the paid up equity share capital of the Company does not exceed Rs.10 Crore and net worth does not exceed Rs.25 Crore, as on the last day of the previous financial year.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- A. The Company has delayed in submitting the Annual Report to the Bombay Stock Exchange (BSE) pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and paid a fine of INR 11,800/- (Eleven Thousand Eight Hundred only) inclusive of Goods and Service Tax (GST).
- B. The Company delayed in intimation of Board Meeting of the Company for the Month of November 2022 to the BSE pursuant to Regulation 29 of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and paid a fine of INR 11,800/- (Eleven Thousand Eight Hundred only) inclusive of Goods and Service Tax (GST).

- C. The Company has delayed in submitting the statement of Investor Complaints for the Quarter ended December 2022 to the BSE pursuant to Regulation 13(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and paid a fine of INR 4,720/- (Four Thousand Seven Hundred and Twenty only) inclusive of Goods and Service Tax (GST).
- D. The Company has not filed the reporting of annual return on Foreign Liabilities and Assets (FLA) for the Financial Year (FY) 2020-2021, FY 2021-22 and FY 2022-23 as required under the Foreign exchange Management Act, 1999 even though it has foreign / non-resident shareholding.
- E. The Company has appointed M/s Nagaraj & Ajith, Chartered Accountants (FRN: 010986S) as the Internal Auditors of the Company pursuant to Section 138 of the Companies Act 2013 but have failed to file Form MGT-14 with the Registrar of Companies.
- F. The Company has not paid any Profession Tax for the FY 2022-23 pursuant to the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976.
- G. The Company has failed to pay the Employees' Provident Fund deducted with respect to the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act 1952 for the Financial Year 2022-23.
- H. The Company has delayed the payment of Annual Listing fee to BSE.
- I. The Company has delayed the payment of annual fees to National Securities Depositories Limited and Central depository Services Limited.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, evidence has not been provided on the Independent director Mr. Mohmmad Yousuf Khan (DIN [00570339](#)) [has been registered with Indian Institute of Corporate Affairs as an Independent director.](#)
- I was given to understand that majority decision is carried through in the Board and its committee meetings while the dissenting members' views are captured and recorded as part of the minutes. However we have not noticed any dissenting views as per the minutes.
- The Company needs to strengthen its systems and processes to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting. However, detailed notes on agenda items have not been sent always and at times sent late. The Company is advised to comply with the Secretarial standards 1 issued by the Institute of Company Secretaries of India in letter and spirit.

I further report that during the audit period, there were no instances of:

- i. Public/Rights/Bonus/Preferential issue of shares/debentures/sweat equity.
- ii. Redemption/buy-back of securities.

- iii. Merger/amalgamation/reconstruction etc.
- iv. Foreign technical collaborations.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Thank you,

Sd/-

Supriya Kumar Guha
Company Secretary in Practice
COP. No.: 14795
Membership No.: F2625

Date: 07/09/2023

Place: Bengaluru

UDIN: F002625E000962419

Annexure A

To,
The Members,
Starcom Information Technology Limited
(CIN: L67120KA1995PLC078846)
73/1, Sheriff Centre, 5th Floor,
St. Marks Road, Bangalore - 560001

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Thank you

Sd/-
Supriya Kumar Guha
Company Secretary in Practice
COP. No.: 14795
Membership No.: F2625

Date: 07/09/2023
Place: Bengaluru

UDIN: F002625E000962419

ANNEXURE VI

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto –

1. Details of contracts or arrangements of transactions not at arm's length basis: NIL

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions
- c. Duration of the contracts/arrangements/transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Justification for entering into such contracts or arrangements or transactions
- f. Date(s) of approval by the Board
- g. Amount paid as advances, if any:
- h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangements or transaction at arm's length basis: NIL

Sl. No.	Particulars	1
1.	Name(s) of the related party and nature of relationship	-
2.	Nature of contracts/ arrangements/ transactions	-
3.	Duration of the contracts/ arrangements/ transactions	-
4.	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
5.	Date(s) of approval by the Board	-
6.	Amount paid as advance, if any	-

**Place: Bengaluru
Date: 07/09/2023**

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

**Sd/-
Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098**

ANNEXURE VI

1. Conservation of Energy:

- a. The steps taken or impact on conservation of energy;

Your Company is in service industry and not having manufacturing activity. The Company is not covered under the list of specified industries. However, the Company on continuous basis takes measures for conservation of power.

- b. The steps taken by the Company for utilizing alternate sources of energy:

The Company is using electricity as main source of its energy requirement and does not have any alternate source of energy.

- c. The capital investment on energy conservation equipment:

Not Applicable

2. Technology Absorption:

- a. Efforts taken to absorb technology:

The Company evaluates the best available technology for improving its performance and quality of its service operations.

- b. The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has not absorbed/made any new technology during the year.

- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology has been imported by the Company.

- d. The expenditure incurred on Research and Development:

Nil

3. Foreign Exchange Earning and Outgo:

The information relating to the total foreign exchange used and earned by the Company is given below:

Particulars	2022-23 (in INR)	2021-22 (in INR)
Foreign Exchange inflow	60,80,437	85,95,791
Foreign Exchange outflow	51,82,339	26,30,945

Place: Bengaluru
Date: 07/09/2023

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

Sd/-
Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

INDEPENDENT AUDITOR'S REPORT

To the Members of Starcom Information Technology Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of **Starcom Information Technology Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and notes to financial statements a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2023, the loss and other comprehensive income, the changes in equity and its cash flow for the year ended on that date.

Basis for Qualified Opinion

- a. *As stated in note 37 of the financial statements, The Company have an overdue statutory dues as on 31st March 2023 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 251.22 lacs (including interest oi Rs. 136.51 lacs), Provident Fund / ESIC / Professional Tax of Rs. 209.96 lacs (including interest of Rs. 100.38 lacs) and Tax Deducted at Source or Rs. 761.92 lacs (including interest of Rs. 351.40 lacs). Though the Company has provided for interest up to 31st March 2023 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*
- b. *As stated in note 38 of the financial statements, the Company has not provided rent for the year ended 31st March, 2023 amounting to Rs. 113.84 lacs in respect of office premises owned by a promoter of the Company jointly with his partner in other business. since the Company is having stress in working capital finance and major funds are utilized in intangible assets under development and current pandemic situation. Had these expenses have been recognized by the Company, Rent expense, loss for the year would have been higher by Rs. 113.84 lacs and liabilities and debit balance of other equity would have been higher by Rs.455.36 lacs as at 31st March, 2023.*

- c. *Attention is invited to Note no. 39 in respect of Intangible Assets under Development amounting to Rs. 2431.02 lacs which is not completed since long time. In the absence of appropriate audit evidence, we are unable to comment whether it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and impairment loss if any in respect of the same. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*
- d. *Attention is invited to Note no. 40 in respect of deferred tax assets amounting to Rs. 131.49 lacs, in the absence of appropriate audit evidence for reasonable certainty of its realisation, had the said deferred tax assets have not been recognised, loss for year end, debit balance of other equity would have been higher by and assets would have been lower by Rs. 131.49 lacs.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Attention is invited to Note No. 41 to the accompanying financial statements which indicate that 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. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the company has prepared its financials on going concern basis, as 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the course of our audit, we have determined that there are no key audit matters to be communicated in our report *except for the matters prescribed in Basis of Qualified Opinion & Material Uncertainty Related to Going Concern section.*

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report, annexure to board report and report on corporate governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with IndAS and accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) *Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of accounts as required by law have been kept by the Company so as far as it appears from our examination of those books.*
 - c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) *Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.*

- e) *The matters described under the 'Basis for Qualified Opinion' paragraph and the 'Material Uncertainty Related to Going Concern' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
- f) *In the absence of written representations received from the directors as on March 31, 2023, we are unable to comment whether none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of subsection 2 of Section 164 of the Act;*
- g) *The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.*
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed pending litigation in its financial statements (refer note no. 29).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The company is not required to transfer any amounts as required by the law to Investor Education and Protection Fund
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company

shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. Since The Company has not declared / paid any dividend during the year, Section 123 of the Act is not applicable.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
3. In our opinion and according to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration, accordingly the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.

For C A S & Co.

Chartered Accountants

FRN. 111075W

Sd/-

Ajad Mehata

Partner

Mem.No. 139040

UDIN: 23139040BGXSXC3933

Place: Mumbai

Date: 30th May, 2023.

Annexure “A” to the Independent Auditor’s Report of even date on the financial statements of Starcom Information Technology Limited for the year ended 31st March 2023.

As required by the Companies (Auditors Report) Order, 2020 and according to the information and explanations given to us during the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets
 - b. The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. Since the Company does not hold any Immovable Property, clause 3(i)(c) of the Order is not applicable..
 - d. Since the Company has not revalued any of its Property, Plant and Equipment, clause 3(i)(d) of the Order is not applicable..
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on physical verification of inventories by the management.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- (iii) The Company has not made any investments in, and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Hence paragraph 3 (iii) (a), (b), (c), (d), (e) and (f) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, section 185 and 186 of the Companies Act, 2013 is not applicable, since the Company does not have any loans, investments, guarantees or security.
- (v) The Company has not accepted any deposit from the public in accordance with the provisions of sections 73 to 76 or amounts which are deemed to be deposits of the Act and the rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company
- (vii) (a) *Accordingly to the records of the Company, amount deducted / accrued in the books of accounts in respect of the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess, Goods and Service Tax and other statutory dues wherever applicable to the company have not been regularly deposited with the appropriate authorities. As stated in note 37 of the financial statements, The Company have an overdue statutory dues as on 31st March 2023 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 251.22 lacs (including interest oi Rs. 136.51 lacs), Provident Fund / ESIC / Professional Tax of Rs. 209.96 lacs (including interest of Rs. 100.38 lacs) and Tax Deducted at Source or Rs. 761.92 lacs (including interest of Rs. 351.40 lacs). Though the Company has provided for interest up to 31st March 2023 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present*
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause(a) on account of any dispute with the relevant authorities except following:

Name of the statute	Nature of dues`	Amount (Rs. in lacs)	Period to which the amount relates
Value Added Tax, Karnataka	Value Added Tax	6.01	F.Y. 2015-16
		15.76	F.Y 2016-17
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Provident Fund	26.85	2013-2016
	Penal Damages	39.35	2013-2016
	Penal Damages	22.5	2018-2019
Professional Tax, Karnataka	Professional Tax	0.60	2017-18 to 2020-21
Goods and Service Tax Act,2017	Penal charges	5.32	July 2017 to March 2018
Income Tax Act, 1961	Tax Deducted at Source	11.20	2012-13 to 2020-21
Income Tax Act, 1961	Income Tax	26.81	A.Y 16-17
		193.97	A.Y 17-18
		73.61	A.Y 18-19
		105.13	A.Y 19-20

- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix) (a) According to the information and explanations given to us and based on our audit procedure, the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to ICICI Bank as follows :

EMI (Rs. in lakhs)	Due Date	Payment Date	Delay in Days
1.41	05-Apr-22	03-Jun-22	59
1.41	05-May-22	21-Jun-22	47
1.41	05-Jun-22	30-Aug-22	86
0.50	05-Jul-22	30-Sep-22	87
0.48	05-Jul-22	19-Jan-23	198

(b) According to the information and explanations given to us, the Company is not declared as wilful defaulter by any bank or financial institution or other Lender

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable

- (d) According to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes. *However, the Company's Current liabilities exceeds its current assets funds raised on long term basis were due as at the date of the Balance sheet.*
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the Company has not received any whistle blower Complaints during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) (a) In our opinion the Company need to strengthen an internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses in the financial year and in the immediately preceding financial year amounting to Rs. 425.32 lakhs and Rs. 351.33 lakhs.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) *On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, and as mentioned in note 41 to the financial statements, the Company has suffered heavy losses during the current and previous years, its net worth has been completely eroded .Accordingly material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.*
- (xx) Section 135 of Companies Act, 2013 is not applicable to company. Hence reporting under clause 3(xx) of the Order is not applicable.

For C A S & Co.

Chartered Accountants
FRN. 111075W

Sd/-

Ajad Mehata

Partner

Mem.No. 139040

UDIN: 23139040BGXSXC3933

Place: Mumbai

Date: 30th May, 2023.

Annexure “B” to the Independent Auditor’s Report of even date on the financial statements of Starcom Information Technology Limited for the year ended 31st March 2023.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Starcom Information Technology Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the

assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31st March, 2023:

The documentation in respect of specific policies and procedures and the IT Controls pertaining to internal financial controls over financial reporting are not adequate and needs to be further strengthened.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effect of the material weakness described above on the achievement of the objectives of the control Criteria , the Company has maintained , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and audit tests applied in our audit of the financial statements of the Company and these material weaknesses above does not affect our opinion on the financial statements of the Company.

For C A S & Co.

Chartered Accountants

FRN. 111075W

Sd/-

Ajad Mehata

Partner

Mem.No. 139040

UDIN: 23139040BGXSXC3933

Place: Mumbai

Date: 30th May, 2023.

Starcom Information Technology Limited
Balance Sheet as at 31st March 2023

(Rs . In Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
A) Non-current assets			
Property, Plant and Equipment	3	9.88	10.61
Intangible Assets	4	152.00	194.13
Intangible Assets Under Development	4	2,431.03	2,431.03
Financial Assets			
Others Financial Assets	5	3.74	3.84
Deferred Tax Assets (Net)	6	131.49	104.23
Other Non - current assets	7	10.88	10.88
Income Tax Asset (net)	8	18.63	16.54
Total Non - current assets		2,757.64	2,771.25
B) Current assets			
Inventories	9	4.12	5.73
Financial Assets			
Trade receivables	10	539.81	685.31
Cash and cash equivalents	11	2.78	7.12
Bank Balances other than Cash and cash equivalents	12	1.26	0.54
Others Financial Assets	5	18.33	15.58
Other current assets	7	8.85	6.01
Total Current assets		575.15	720.29
TOTAL ASSETS		3,332.78	3,491.54
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	500.06	500.06
Other Equity		(1,609.27)	(1,091.85)
Total Equity		(1,109.21)	(591.79)
LIABILITIES			
A) Non-current liabilities			
Financial Liabilities			
Borrowings	14	-	-
Provisions	15	52.36	42.61
Total Non-current liabilities		52.36	42.61
B) Current liabilities			
Financial Liabilities			
Short term Borrowing	16	2,023.42	1,860.39
Trade payables			
- Due to micro and small enterprises	17	100.59	86.23
- Due to Others		729.00	722.54
Other financial Liabilities	18	1,518.04	1,356.69
Provisions	15	5.91	2.98
Other current liabilities	19	12.66	11.90
Total Current liabilities		4,389.62	4,040.73
TOTAL EQUITY AND LIABILITIES		3,332.78	3,491.54

The accompanying notes form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors
Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Ajad Mehata
Partner
Membership No. : 139040

Mr. Ziaulla Sheriff
Managing Director
DIN - 00002098

Mr. Maddur Gundurao Mohankumar
Director
DIN - 00020029

Mr. Mukhtar Ahmad
Chief Financial Officer

Joydeep Sarkar
Company Secretary

Place : Mumbai
Date : 30th May, 2023

Place : Bengaluru
Date : 30th May, 2023

Starcom Information Technology Limited
Statement of Profit and Loss for the Year ended 31st March 2023

(Rs . In Lakhs)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Income			
Revenue From Operations	20	201.67	353.12
Other Income	21	0.33	9.43
Total Income		202.01	362.55
Expenses			
Purchases of Stock-in-Trade	22	77.51	65.48
Changes in inventories of finished goods	23	1.61	(0.14)
Employee benefits expenses	24	286.10	372.59
Finance costs	25	49.02	51.43
Depreciation and amortisation expenses	26	43.58	44.20
Other expenses	27	298.16	406.75
Total expenses		755.99	940.31
Profit before tax		(553.98)	(577.76)
Tax expense/ (credit)			
(1) Current tax	8	-	-
(2) Deferred tax	6	(29.68)	(45.49)
Total tax expenses/(credit)		(29.68)	(45.49)
Profit/ (loss) for the year (A)		(524.30)	(532.26)
Other Comprehensive Income			
Items not to be reclassified subsequently to profit or loss			
- Remeasurement of post employment benefit obligation		9.30	13.84
- Income tax effect on above		(2.42)	(3.60)
Items that will be reclassified subsequently to profit or loss			
		-	-
Other comprehensive income for the year, net of tax (B)		6.89	10.24
Total comprehensive income/ (loss) for the year, net of tax (A+B)		(517.41)	(522.02)
Earnings per equity share: (in Rs)			
Equity shares of Par value of Rs. 10 /-each			
Basic	28	(10.48)	(10.64)
Diluted		(10.48)	(10.64)
The accompanying notes form an integral part of the financial statements			

This is the statement of profit and loss referred to in our audit report of even date

For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors
Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Ajad Mehata
Partner
Membership No. : 139040

Mr. Ziaulla Sheriff
Managing Director
DIN - 00002098

Mr. Maddur Gundurao Mohankumar
Director
DIN - 00020029

Mr. Mukhtar Ahmad
Chief Financial Officer

Joydeep Sarkar
Company Secretary

Place : Mumbai
Date : 30th May, 2023

Place : Bengaluru
Date : 30th May, 2023

Starcom Information Technology Limited
Cash Flow Statement for the Year ended 31st March 2023

(Rs . In Lakhs)

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(553.98)	(577.76)
Adjustments for :		
Depreciation & Amortisation Expense	43.58	44.20
Finance Cost (including fair value change in financial instruments)	49.02	51.43
Interest income (including fair value change in financial instruments)	(0.33)	(9.43)
Remeasurement of defined benefit obligation	9.30	13.84
Provision for expected credit loss on trade receivables	85.08	182.23
Operating profit before working capital changes	(367.32)	(295.49)
Adjustments for changes in working capital:		
(Increase) / Decrease in Trade and Other Receivables	60.42	(12.61)
(Increase) / Decrease in Inventories	1.61	(0.14)
(Increase) / Decrease in Other Financial Assets	(2.65)	2.54
(Increase) / Decrease in Other Assets	(2.84)	(5.67)
Increase / (Decrease) in Trade and Other Payables	20.83	34.26
Increase / (Decrease) in Other Liabilities	162.11	206.36
Increase / (Decrease) in Provisions	12.68	(10.33)
Cash generated from / (used in) operations	(115.16)	(81.08)
Direct taxes paid (Net of Refunds)	(2.08)	(0.77)
Net cash flow from operating activities (A)	(117.25)	(81.85)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	(0.72)	-
Fixed deposits	(0.72)	0.02
Interest received	0.33	0.47
Net cash flow used in investing activities (B)	(1.10)	0.49
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Net)	163.03	133.79
Interest paid	(49.02)	(51.43)
Net cash flow from financing activities (C)	114.01	82.36
Net decrease in cash and cash equivalents (A+B+C)	(4.34)	1.00
Cash and cash equivalents at the beginning of the year	7.12	6.12
Cash and cash equivalents at the end of the year	2.78	7.12
Components of cash and cash equivalents considered only for the purpose of cash flow statement		
In bank current accounts in Indian rupees	2.55	6.87
Cash on hand	0.23	0.25
	2.78	7.12

Note:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

2. Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

The accompanying notes form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors
Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Ajad Mehata
Partner
Membership No. : 139040

Mr. Ziaulla Sheriff
Managing Director
DIN - 0002098

Mr. Maddur Gundurao Mohankumar
Director
DIN - 00020029

Place : Mumbai
Date : 30th May, 2023

Mr. Mukhtar Ahmad
Chief Financial Officer
Place : Bengaluru

Joydeep Sarkar
Company Secretary
Date : 30th May, 2023

Starcom Information Technology Limited
Statement of Changes in Equity for the Year ended 31st March 2023

A) Equity share capital

Particulars	Number	(Rs. in Lakhs)
Equity shares of Rs. 10 each issued, subscribed and paid		
Balance as at 1 April 2021	50,00,600	500.06
Changes in equity share capital for the year ended 31 March 2022	-	-
Balance as at the 31 March 2022	50,00,600	500.06
Changes in equity share capital for the year ended 31 March 2023	-	-
Balance as at the 31 March 2023	50,00,600	500.06

Current reporting period

(Rs. in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Retained balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
500.06	-	500.06	-	500.06

Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Retained balance at the beginning of the previous reporting period	Changes in Equity share capital during the previous year	Balance at the end of the previous reporting period
500.06	-	500.06	-	500.06

B) Other equity

(Rs. in Lakhs)

Particulars	Reserves and surplus	Other comprehensive income	Total equity attributable to equity holders
	Retained Earnings	Remeasurement of post employment benefit obligation	
Balance as at 1 April 2021	(615.61)	45.77	(569.83)
Total comprehensive income for the year	(532.26)	10.24	(522.02)
Balance as at the 31 March 2022	(1,147.87)	56.02	(1,091.85)
Total comprehensive income for the year	(524.30)	6.89	(517.41)
Balance as at the 31 March 2023	(1,672.17)	62.90	(1,609.27)

The accompanying notes form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For C A S & Co.

Chartered Accountants
Firm Reg. No. 111075W

Ajad Mehata

Partner
Membership No. : 139040

For and on behalf of the Board of Directors

Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Mr. Ziaulla Sheriff

Managing Director
DIN - 00002098

Mr. Maddur Gundurao Mohankumar

Director
DIN - 00020029

Mr. Mukhtar Ahmad

Chief Financial Officer

Joydeep Sarkar

Company Secretary

Place : Mumbai
Date : 30th May, 2023

Place : Bengaluru
Date : 30th May, 2023

Note 1 Corporate Information

Starcom Information Technology Limited ("the Company") is a public listed company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India (Bombay Stock Exchange and Ahmedabad Stock Exchange). The Company's principal business is to be a global IT driven solution provider in the Business Intelligence, Analytics and Big Data space, focussed on innovative products and services.

The financial statements of the Company for the year ended March 31, 2023 were authorised for issue in accordance with resolution of the Board of Directors on 30th May, 2023.

Note 2.1 Significant Accounting Policies

i Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The financial statements for all periods upto and including year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2018 are the first financial statements prepared by the Company in accordance with Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

ii Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below :

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of Receivables

The impairment provisions of financial receivables disclosed based on the assumptions about risk of default and expected loss rates.

iii Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost.

iv Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation and impairment.

Software product development cost are expenses as incurred unless technical and commercial feasibility of project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete or sell the softwares and cost can be measured reliably. The cost which can be capitalised include the cost of material, direct labour and overhead cost that are directly attributable to preparing the assets for intended purpose.

Research cost are expenses as incurred.

Assets acquired but not ready for use are classified under Capital work-in-progress or intangible assets under development, as the case may be.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2016.

v Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on Property, Plant & Equipment of the company, except Leasehold Improvements and intangible assets has been provided as per the Written Down value method as per the useful lives of the respective Property, Plant & Equipment in the manner as prescribed by Schedule II of the Act.

Depreciation on Leasehold Improvements is amortized equally over the lease term.

Intangible Assets are amortised over a period of 10 years on systematic basis.

vi Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

l) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

II) Financial Liabilities**1) Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

vii Employee Benefits**(a) Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

(b) Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

(c) Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

(d) Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

viii Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

ix Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

x Foreign Currency Transactions:

(a) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss

xi Revenue Recognition:

(a) Revenue from sale of products is recognized when the company transfers all significant risks and rewards of ownership to the buyer .

(b) Revenue from sale of products is recognised, in accordance with the sales contract, on delivery of goods to the customer.

(c) Business facility income is recognised on accrual basis as per the terms of contract.

(d) Income from Annual Maintenance Contract (AMC) is recognised on accrual basis as per the period of the contract.

(e) Interest income is recognised using effective interest method.

(f) Offshore Development Charges income (ODC) is recognised on accrual basis as per the terms of contract.

Revenue from services is recognised when the stage of completion is measured reliably. Stage of completion is measured by the

(g) service performed till Balance Sheet date as a percentage of total services contracted.

xii Inventories

Finished Goods are valued at lower of cost or net realisable value.

Cost is arrived on First in First Out basis

xiii Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

(a) Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(b) Deferred Taxes

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(c) Minimum Alternative Tax

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xiv Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xv Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xvi Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xvii Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. In respect of assets given on operating lease, income is recognized on straight line basis over the lease term. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xviii Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xix Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

xx Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM). The Company has identified its Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

xxii Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

Note 3 : Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Computers	Total
Gross carrying value					
Balance as at 1 April 2021	52.96	17.95	13.44	38.54	122.88
Additions	-	-	-	-	-
Balance as at 31 March 2022	52.96	17.95	13.44	38.54	122.88
Additions	-	0.35	0.06	0.31	0.72
Balance as at 31 March 2023	52.96	18.30	13.49	38.85	123.60
Accumulated depreciation					
Balance as at 1 April 2021	52.96	12.88	9.97	34.41	110.21
Depreciation charge	-	0.91	0.20	0.96	2.06
Balance as at 31 March 2022	52.96	13.78	10.16	35.37	112.27
Depreciation charge	-	0.69	0.11	0.64	1.44
Balance as at 31 March 2023	52.96	14.48	10.27	36.01	113.72
Net carrying value					
Balance as at 1 April 2021	(0.00)	5.07	3.47	4.13	12.67
Balance as at 31 March 2022	(0.00)	4.16	3.28	3.17	10.61
Balance as at 31 March 2023	(0.00)	3.82	3.22	2.84	9.88

Note 4 : Intangible Assets & Intangible Assets Under Development

(Rs. in Lakhs)

Particulars	Software Modules	Intangible Asset Under Development
Gross carrying value		
Balance as at 1 April 2021	406.13	2,431.03
Additions	-	-
Disposals	-	-
Balance as at 31 March 2022	406.13	2,431.03
Additions	-	-
Disposals	-	-
Balance as at 31 March 2023	406.13	2,431.03
Accumulated amortisation		
Balance as at 1 April 2021	169.87	-
Amortisation charge	42.13	-
Reversal on disposal of assets	-	-
Balance as at 31 March 2022	212.00	-
Amortisation charge	42.13	-
Reversal on disposal of assets	-	-
Balance as at 31 March 2023	254.14	-
Net carrying value		
Balance as at 1 April 2021	236.27	2,431.03
Balance as at 31 March 2022	194.13	2,431.03
Balance as at 31 March 2023	152.00	2,431.03

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Project in Progress					
Projects temporarily suspended	-	-	-	2,431.03	2,431.03

Intangible assets under development	To be completed in				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Project 1 - Star BI	Amounts not ascertainable at present				
Project 2 - Star DQ					
Project 3 - Star 360					

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

(Rs . In Lakhs)

Note 5 : Others Financial Assets
(Unsecured)

Particulars	As at March 31, 2023	As at March 31, 2022
<u>Non-current</u>		
Deposits	1.90	1.90
Fixed Deposit Accounts Maturity More than 12 Months *	1.84	1.94
Total non-current financial assets	3.74	3.84
<u>Current</u>		
Deposits	17.02	14.26
Interest accrued on Deposits	1.31	1.32
Total Current financial assets	18.33	15.58
Total Others Financial Assets	22.07	19.42

* Fixed Deposit are pledged against Bank Guarantee

Note 6 : Deferred Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets		
Excess of net block of fixed assets as per tax purpose over net block as per books of accounts	(2.39)	(5.04)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	14.67	11.47
Provision for doubtful financial assets	119.21	97.79
Total Deferred Tax Assets (net)	131.49	104.23

Note 7 : Other Assets
(Unsecured)

Particulars	As at March 31, 2023	As at March 31, 2022
<u>Non-current</u>		
Provident Fund Paid under Protest	10.88	10.88
Total other non-current assets	10.88	10.88
<u>Current</u>		
Advances recoverable other than in cash	4.62	5.29
Prepaid expenses	4.23	0.72
Total other current assets	8.85	6.01
Total Other Assets	19.73	16.89

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

Note 8 : Income Tax Asset (net)

(Rs . In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax and TDS (Net of Provision for Tax)	18.63	16.54
	18.63	16.54

(a) Amounts recognised in Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax expense (A)		
Current year (including MAT Credit Entitlement)	-	-
Short/(Excess) provision of earlier years	-	-
Deferred tax expense (B)		
Origination and reversal of temporary differences	(29.68)	(45.49)
Tax expense recognised in the income statement (A+B)	(29.68)	(45.49)

(b) Amounts recognised in other comprehensive income

Particulars	As at March 31, 2023			As at March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligation	9.30	(2.42)	6.89	13.84	(3.60)	10.24
	9.30	(2.42)	6.89	13.84	(3.60)	10.24

(c) Reconciliation of effective tax rate

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before tax	(553.98)	(577.76)
Tax using the Company's domestic tax rate (26%)	(144.03)	(150.22)
Tax effect of :		
The effect of current years loss on which no deferred tax assets have been recognised	(114.35)	(104.73)
Tax expense as per Statement of Profit & Loss	(29.68)	(45.49)
Effective tax rate	0.05	0.08

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

(Rs . In Lakhs)

Note 9 : Inventories

(Valued at lower of cost or Net Realisable Value)

Particulars	As at March 31, 2023	As at March 31, 2022
Stock in Trade	4.12	5.73
Total Inventories	4.12	5.73

Note 10 : Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good	1,013.46	1,073.88
Less : Provision for expected credit loss	(473.65)	(388.57)
Total Trade receivables	539.81	685.31

Starcom Information Technology Limited
Notes to standalone financial statements for the year ended 31st March 2023

Note 10A : Trade receivables

i) Trade Receivables as at 31.03.2023

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables						
- considered good	26.48	108.65				135.13
- which have significant increase in credit risk			127.18	300.61	450.53	878.32
- credit impaired						-
b) Disputed trade receivables						
- considered good						-
- which have significant increase in credit risk						-
- credit impaired						-
	26.48	108.65	127.18	300.61	450.53	1,013.46

ii) Trade Receivables as at 31.03.2022

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables						
- considered good	252.85	101.76				354.61
- which have significant increase in credit risk			311.80	160.27	247.20	719.27
- credit impaired						-
b) Disputed trade receivables						
- considered good						-
- which have significant increase in credit risk						-
- credit impaired						-
	252.85	101.76	311.80	160.27	247.20	1,073.88

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

(Rs . In Lakhs)

Note 11 : Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- Current accounts in Indian rupees	2.55	6.87
Cash on hand	0.23	0.25
Total Cash & Cash Equivalents	2.78	7.12

Note 12 : Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	1.26	0.54
Total Bank Balances other than Cash and cash equivalents	1.26	0.54

Note 13 : Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
55,00,000 Equity Shares of Rs 10 each	550.00	550.00
Total	550.00	550.00
Issued, Subscribed and Fully Paid Up		
50,00,600 Equity Shares of Rs 10 each fully paid up	500.06	500.06
Total	500.06	500.06

a) Terms / rights 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.

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :

Particulars	Equity Shares			
	As on March 31, 2023		As on March 31, 2022	
	Number	(Rs . In Lakhs)	Number	(Rs . In Lakhs)
Shares outstanding at the beginning of the year	50,00,600	500.06	50,00,600	500.06
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,00,600	500.06	50,00,600	500.06

c) Details of Shareholders holding more than 5% shares in the company:

Name of the Shareholder	Equity Shares			
	As on March 31, 2023		As on March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ziaulla Sheriff	37,50,450	75.00%	37,50,450	75.00%

d) Shares held by promoters at the end of the year

Name of the Shareholder	As at 31.03.2023		As at 31.03.2022		% Change during the year*
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Mr. Ziaulla Sheriff	37,50,450	75.00%	37,50,450	75.00%	-

Note 14 : Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
From bank	0.09	6.36
Less : Current Maturity of long term debt	(0.09)	(6.36)
	-	-
Loan from Director	1,461.08	1,461.08
Less : Current Maturity of long term debt	(1,461.08)	(1,461.08)
	-	-
Total Borrowings	-	-

a) Bank loan amounting to Rs. 0.09 lakhs (PY Rs. 6.36 lakhs) from ICICI Bank is the unsecured loan carries interest rate of 16% p.a. The loan is repayable in 36 installments along with interest.

b) Loan from director is interest free and repayable after 31st March, 2024.

Note 15 : Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits (Refer note 32)		
- Gratuity	45.47	32.32
- Leave entitlement and compensated absences	6.89	10.29
Total non-current provisions	52.36	42.61
Current		
Provision for employee benefits (Refer note 32)		
- Gratuity	4.58	1.80
- Leave entitlement and compensated absences	1.32	1.18
Total current provisions	5.91	2.98
Total Provisions	58.27	45.59

Note 16 : Short term Borrowing

Particulars	As at March 31, 2023	As at March 31, 2022
Inter-corporate Deposits	562.25	392.95
Loan from Director-Current	1,461.08	1,461.08
Current Maturity of Long term Debt	0.09	6.36
	2,023.42	1,860.39

Note 17 : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note below)	100.59	86.23
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	729.00	722.54
Total Trade Payables	829.60	808.77

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

(Rs . In Lakhs)

The Company has amounts due to micro and small suppliers registered under the Micro, Small Enterprises Development Act 2006 (MSMED Act), as at 31st March 2023.

The disclosure pursuant to the said Act is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers under MSMED Act	100.59	86.23
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Starcom Information Technology Limited
Notes to standalone financial statements for the year ended 31st March 2023

Note 17A : Trade payables

Trade Payables as at 31.03.2023

(Rs. In Lakhs)

Particulars	Outstanding for the following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade payables					
(i) MSME	24.15	26.66	49.78	-	100.59
(ii) Others	54.72	69.48	172.16	432.64	729.00
b) Disputed trade payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
	78.86	96.14	221.94	432.64	829.59

Trade Payables as at 31.03.2022

Particulars	Outstanding for the following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade payables					
(i) MSME	2.90	18.52	5.04	59.76	86.23
(ii) Others	36.88	45.80	12.14	627.72	722.54
b) Disputed trade payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
	39.78	64.32	17.19	687.48	808.77

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

(Rs . In Lakhs)

Note 18 : Other financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues Payable	1,277.71	1,161.90
Employee benefits expenses payables	233.60	188.67
Expense Payable	6.74	6.13
Total	1,518.04	1,356.69

Note 19 : Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Annual Maintenance Contract (AMC) received in advance	12.66	11.90
Total	12.66	11.90

Note 20 : Revenue From Operations

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of products	193.37	290.13
Rendering of Services	8.31	62.99
Total Revenue from Operations	201.67	353.12

Note 21 : Other Income

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Amortisation of deferred liabilities	-	8.97
Interest Income on margin money deposit & others	0.33	0.47
Other income	-	-
Total Other Income	0.33	9.43

Note 22 : Purchases of Stock-in-Trade

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Purchases of Stock in trade	77.51	65.48
	77.51	65.48

Details of traded goods purchases:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Test, Measurement & Embedded Solutions for Educational Sector	77.51	65.48
	77.51	65.48

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

(Rs . In Lakhs)

Note 23 : Changes in inventories of finished goods

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance		
Stock in Trade	5.73	5.59
Closing Balance		
Stock in Trade	4.12	5.73
Total Changes in inventories of finished goods	1.61	(0.14)

Note 24 : Employee benefits expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and Bonus	248.68	346.21
Contribution to Provident Fund and Others welfare fund	12.49	9.85
Gratuity and Leave Encashment Expense (Refer Note No.32)	21.99	14.26
Staff Welfare Expenses	2.94	2.28
Total Employee Benefit Expense	286.10	372.59

Note 25 : Finance costs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Expense		
- on unwinding of loans taken from related parties	-	7.24
- on loan from bank	0.29	2.03
- on loan from Others	46.39	40.29
Bank Charges	2.35	1.88
Total Finance Costs	49.02	51.43

Note 26 : Depreciation and amortisation expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on Property, Plant and Equipment	1.44	2.06
Amortisation of Intangible Assets	42.13	42.13
Total Depreciation and amortisation expenses	43.58	44.20

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2023

(Rs . In Lakhs)

Note 27 : Other expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Software Maintenance Charges	0.05	0.15
Repair & Maintenance - Others	4.29	6.58
Travelling & Conveyance	28.54	43.02
Advertisement and Business Promotion Expenses	1.26	1.08
Electricity Expenses	10.35	8.40
Security Expenses	1.43	2.78
Communication Costs	2.90	2.38
Printing & Stationery	0.89	1.26
Professional Consultancy Expenses	24.72	22.62
Auditor's Remuneration	19.00	19.00
Loss on Foreign Exchange Fluctuations (net)	(10.99)	(3.82)
Interest on Delayed Statutory Payments	115.99	113.99
Provision for expected credit loss on trade receivables	85.08	182.23
Miscellaneous Expenses	14.66	7.07
Total	298.16	406.75

Details of Payment to Auditors

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
For Audit Fees	19.00	19.00
Total Payment to Auditors	19.00	19.00

Note 28 : Earnings per equity share: (in Rs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lakhs)	(524.30)	(532.26)
Weighted average number of equity shares for calculating Basic EPS (Nos.)	50,00,600	50,00,600
Weighted Average Potential Equity Shares (Nos.)	-	-
Total Weighted Average number of Equity Shares used for calculating Diluted EPS (Nos.)	50,00,600	50,00,600
Basic EPS (in Rs.)	(10.48)	(10.64)
Diluted EPS (in Rs.)	(10.48)	(10.64)

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 29: Contingent liabilities disclosures as required under Indian Accounting Standard 37, “Provisions, Contingent Liabilities and Contingent Assets” are given below:

(Rs . In Lakhs)		
Particulars	As at 31-Mar-23	As at 31-Mar-22
I) Claims not acknowledged as Debts :		
i) Disputed liability in respect of Provident Fund	26.85	26.85
ii) Disputed liability in respect of penal damages against non payment of :		
Provident fund	61.85	39.35
Tax Deducted at Source	11.20	11.20
Professional Tax	0.60	0.60
Goods and Service tax	5.32	-
iii) Disputed liability in respect of Karnatka Value Added Tax	21.78	21.88
iv) Disputed Income Tax Demand	495.95	399.52
v) Disputed Liability related to SEBI Matters	Not Ascertainable	Not Ascertainable
II) Guarantees		
Bank Guarantee	3.46	2.48

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 30 : Post Employment Benefit Plans

Defined Contribution Plans

(Rs . In Lakhs)

Amount recognised in the Statement of Profit and Loss	2022-23	2021-22
Contribution to Provident fund and others	12.49	9.85

Defined Benefit Plans

The Company has the following Defined Benefit Plans:

Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The following are the details of defined benefit plans:

Movement in net defined benefit (asset)/ liability

(Rs . In Lakhs)

a) Reconciliation of balances of Defined Benefit Obligations.	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
Defined Obligations at the beginning of the year	34.11	42.34		13.57
Current Service Cost	4.17	5.60		2.69
Interest Cost	2.46	2.58		0.81
Past service cost	-	-		-
Benefits paid	-	(3.54)		(4.63)
Actuarial (Gains)/ Losses on obligations				
-Changes in Demographic Assumptions	-	-		-
-Changes in financial Assumptions	9.30	(1.62)		0.68
-Experience adjustments		(11.26)		(1.66)
Defined benefit obligations at the end of the year	50.05	34.11		11.47
Changes in Fair Value of Plan Assets	-	-		-
Net (Asset) / Liability recognised in the balance sheet	50.05	34.11		11.47

(Rs . In Lakhs)

b) Amount recognised in Statement of Profit and Loss	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
Current Service Cost	4.17	5.60		2.69
Past Service Cost and loss / (gain) on curtailments and settlement	-	-		-
Interest Cost	2.46	2.58		0.81
Actuarial (Gains)/ Losses on obligations	9.30	(12.87)		(0.97)
Expenses for the year	15.94	7.18		2.53

(Rs . In Lakhs)

c) Amount recognised in Other Comprehensive Income - Remeasurements :	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
Actuarial (Gains)/ Losses				
-Changes in Demographic Assumptions	-	-		-
-Changes in financial Assumptions	9.30	(1.62)		0.68
-Experience adjustments	-	(11.26)		(1.66)
Return on plan assets excluding net interest cost	-	-		-
Total	9.30	(12.87)		(0.97)

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

d) Major Actuarial Assumptions	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
Discount Rate (%)	7.36%	7.22%	7.36%	7.22%
Salary Escalation/ Inflation (%) *	10% F5Y & 8% T.A	10% F5Y & 8% T.A	10% F5Y & 8% T.A	10% F5Y & 8% T.A
Attrition rates	15.00%	15.00%	15.00%	15.00%

* The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

Sensitivity analysis

Sensitivity analysis for each significant actuarial assumption as stated above, showing how the defined

Particulars	Gratuity - Unfunded		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
	Change in Defined Benefit Obligation	Change in Defined Benefit Obligation		Change in Defined Benefit Obligation
Discounting rate				
+100 basis points	-5.79%	-5.48%		-7.84%
-100 basis points	6.43%	6.08%		9.09%
Salary growth rate				
+100 basis points	5.06%	5.79%		8.32%
-100 basis points	-5.18%	-5.32%		-7.33%
Attrition rate				
+100 basis points	-0.99%	-1.28%		-2.07%
-100 basis points	1.08%	1.39%		2.07%
Mortality Rate 10% UP	-0.04%	-0.05%		-0.07%

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.

The expected future cash flows based on past service liability as at 31st March 2023 were as follows:

(Rs . In Lakhs)

Particulars	Gratuity - Unfunded
Projected benefits payable in future years from the date of reporting	
1st following year	4.58
2nd following year	2.69
3rd following year	2.07
4th following year	8.28
5th following year	1.62
Years 6 to 10	17.92

Current/ non-current classification :

(Rs . In Lakhs)

Particulars	31 March 2023	31 March 2022
Gratuity		
Current	4.58	1.80
Non-current	45.47	32.32
	50.05	34.11
Leave encashment		
Current	1.32	1.18
Non-current	6.89	10.29
	8.22	11.47

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 31 : Related party disclosures as required under Indian Accounting Standard 24, “Related party disclosures” are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Nature of the party
A) Key management personnel and their relatives 1) Mr. Ziaulla Sheriff 2) Mr. Mukhtar Ahmad 3) Mrs. Nidhi Sharma 4) Joydeep Sarkar	Managing Director Chief Financial officer Company Secretary (up to 07-06-2022) Company Secretary (w.e.f 01-12-2022)
B) Entities where Directors / Key Management Personnel have Significant Influence Cubeware India Private Limited	Company in which director is interested as director

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

i) Key management personnel and their relatives

(Rs . In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1) Salary to Key Managerial personnel Mrs. Nidhi Sharma	1.15	2.98

c) Closing Outstanding Balances of Related Parties

(Rs . In Lakhs)

Name of Entities	Nature	Relationship	As at March 31, 2023	As at March 31, 2022
Mr. Ziaulla Sheriff	Rent Payable	Managing Director	258.36	258.36
Bhatia Family*	Rent Payable	Partnership with director of the company	402.45	402.45
Mr. Ziaulla Sheriff	Loans Payable	Managing Director	1,461.08	1,461.08
Mrs. Nidhi Sharma	Salary Payable	Company Secretary	0.25	0.25

*Office premises has been owned by the promoter (Mr. Ziaulla Sheriff) jointly with Bhatia Family.

Members of Bhatia family to whom Rent is Payable are :

- 1)Aarthi Bhatia
- 2)Kajol Bhatia
- 3)M M Bhatia
- 4)Sidharth Bhatia
- 5)Suresh Bhatia
- 6)Sunil Bhatia

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 32 : Segment reporting as required under Indian Accounting Standard 108, “Operating Segments”

The Company has disclosed business segment as the primary segment . These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The company operates into two business segments as required to be reported as per Indian Accounting Standard 108 on Operating Segments ,(a) Test, Measurement & Embedded solutions for Educational sector (b) Data Quality,Statistical and Analytics Softwares.

(Rs . In Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A. Segment Revenue		
1. Test, Measurement & Embedded Solutions for Educational Sector	108.78	53.72
2. Data Quality, Statistical & Analytics Softwares	92.89	299.41
Total Revenue	201.67	353.13
B. Segment Results		
1. Test, Measurement & Embedded Solutions for Educational Sector	36.30	11.69
2. Data Quality, Statistical & Analytics Softwares	42.25	139.30
Total	78.55	150.99
Less		
i) Finance charges	49.02	51.43
ii) Unallocable Expenditure net off income	583.51	677.31
Total Profit Before Tax	(553.98)	(577.75)
Less: Tax Expenses	(29.68)	(45.49)
Total Profit After Tax	(524.30)	(532.26)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
C.Segments Assets		
1. Test, Measurement & Embedded Solutions for Educational Sector	80.92	109.56
2. Data Quality, Statistical & Analytics Softwares	3,066.20	3,224.16
3. Unallocated	185.66	210.20
Total	3,332.78	3,543.92
D. Segment Liabilities		
1. Test, Measurement & Embedded Solutions for Educational Sector	49.91	29.04
2. Data Quality, Statistical & Analytics Softwares	12.66	92.51
3. Unallocated	4,379.42	4,014.16
Total	4,441.99	4,135.72

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 33: Fair Value Measurement

A. Accounting classification and fair values

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed are classified as Level 3.

If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.

(Rs . In Lakhs)

Financial Asset & Liabilities as at 31st March 2023	Refer note	Non Current	Current	Total	Routed through Profit & Loss				Routed through OCI				Carried at Amortised Cost	Total Amount
					Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets:														
Trade receivables	10		539.81	539.81			-	-					539.81	539.81
Others financial assets	5	3.74	18.33	22.07			-	-					22.07	22.07
Cash and cash equivalents	11		2.78	2.78			-	-					2.78	2.78
Other bank balances	12		1.26	1.26			-	-					1.26	1.26
Total Financial Assets		3.74	562.18	565.91			-	-					565.91	565.91
Financial Liabilities:														
Borrowings	14	-	-	-			-	-					-	-
Short term Borrowing	16		2,023.42	2,023.42			-	-					2,023.42	2,023.42
Trade payables	17		829.60	829.60			-	-					829.60	829.60
Other financial liabilities	18		1,518.04	1,518.04			-	-					1,518.04	1,518.04
Total Financial Liabilities		-	4,371.06	4,371.06			-	-					4,371.06	4,371.06

Financial Asset & Liabilities as at 31st March 2022	Refer note	Non Current	Current	Total	Routed through Profit & Loss				Routed through OCI				Carried at Amortised	Total Amount
					Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets:														
Trade receivables	10		685.31	685.31			-	-					685.31	685.31
Others financial assets	5	3.84	15.58	19.42			-	-					19.42	19.42
Cash and cash equivalents	11		7.12	7.12			-	-					7.12	7.12
Other bank balances	12		0.54	0.54			-	-					0.54	0.54
Total Financial Assets		3.84	708.55	712.39			-	-					712.39	712.39
Financial Liabilities:														
Borrowings	14	-	-	-			-	-					-	-
Short term Borrowing	16		1,860.39	1,860.39			-	-					1,860.39	1,860.39
Trade payables	17		808.77	808.77			-	-					808.77	808.77
Other financial liabilities	18		1,356.69	1,356.69			-	-					2,079.23	2,079.23
Total Financial Liabilities		-	4,025.85	4,025.85	-	-	-	-	-	-	-	-	4,748.39	4,748.39

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 34 : Financial risk management objectives and policies

i. Risk management framework

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

Ageing of Accounts receivables :

(Rs . In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 6 months	26.48	252.85
6 months- 1 year	108.65	101.76
1-2 years	127.18	311.80
2-3 years	300.61	160.27
More than 3 years	450.53	247.20
Total	1,013.46	1,073.88

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

The movement of the allowance for lifetime expected credit loss is stated below:

(Amount in Rs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	388.57	206.34
Add : Additional provision made	85.08	182.23
Closing provisions	473.65	388.57

(b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances of Rs. 4.04 Lakh at 31st March 2023 (31st March 2022: Rs. 7.66 Lakh). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 34 : Financial risk management objectives and policies

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Maturity Analysis of Significant Financial Liabilities

(Rs . In Lakhs)

31st March 2023	Upto 1 year	1-5 years	More than 5 years	Total
Non current borrowings	-	-	-	-
Short term Borrowing	2,023.42	-	-	2,023.42
Trade and other payables	829.60	-	-	829.60
Other financial liabilities	1,518.04	-	-	1,518.04

31st March 2022	Upto 1 year	1-5 years	More than 5 years	Total
Non current borrowings	-	-	-	-
Short term Borrowing	1,860.39	-	-	1,860.39
Trade and other payables	808.77	-	-	808.77
Other financial liabilities	1,356.69	86.23	-	1,442.92

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 34 : Financial risk management objectives and policies

iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

iv.a Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2023, and March 31, 2022 are as below:

(Rs . In Lakhs)

31st March, 2023	Exposure in USD		Exposure in EURO	
	Amount in INR	Amount in USD	Amount in INR	Amount in EURO
Financial assets				
Trade receivables	60.80	73,956	-	-
Net exposure for assets	60.80	73,956	-	-
Financial liabilities				
Trade and other payables	51.82	63,033	-	-
Net exposure for liabilities	51.82	63,033	-	-
Net exposure (Assets - Liabilities)	8.98	10,924	-	-

31st March, 2022	Exposure in USD		Exposure in EURO	
	Amount in INR	Amount in USD	Amount in INR	Amount in EURO
Financial assets				
Trade receivables	132.83	1,74,977.43	-	-
Net exposure for assets	132.83	1,74,977.43	-	-
Financial liabilities				
Trade and other payables	3.35	4,417.69	-	-
Net exposure for liabilities	3.35	4,417.69	-	-
Net exposure (Assets - Liabilities)	129.47	1,70,559.74	-	-

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Impact of movement on Profit or (loss) and Equity : (Rs . In Lakhs)

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
For the year ended 31st March, 2023		
1% movement		
USD	0.09	(0.09)
EURO	-	-
Total	0.09	(0.09)

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
For the year ended 31st March, 2022		
1% movement		
USD	(1.28)	1.28
EURO	-	-
Total	(1.28)	1.28

iv.b Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Particulars	(Rs . In Lakhs)	
	As at 31-03-2023	As at 31-03-2022
Total Borrowings	2,023.42	1,860.39
	2,023.42	1,860.39

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

Cash flow sensitivity (net)	Profit or (loss)	
	50 bp increase	50 bp decrease
31st March 2023		
Variable-rate loan instruments	(10.12)	10.12
Cash flow sensitivity (net)	(10.12)	10.12
31st March 2022		
Variable-rate loan instruments	(9.30)	9.30
Cash flow sensitivity (net)	(9.30)	9.30

Note 35 : The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Sr.No.	Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance %
1	Current Ratio	Current assets	Current liabilities	0.13	0.18	-26.50
2	Debt – Equity Ratio	Total Debt	Shareholder's Equity	(1.82)	(3.14)	-41.97
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	(7.21)	(7.26)	-0.70
4	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	61.65%	160.91%	-99.27%
5	Inventory turnover ratio	Revenue	Average Inventory	22.08	9.49	132.67
6	Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.33	0.46	-28.20
7	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	0.09	0.08	18.18
8	Net capital turnover ratio	Revenue	Working Capital	(0.05)	(0.11)	-50.29
9	Net profit ratio	Net Profit	Revenue	-259.54%	-146.81%	-112.73%
10	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	-11.37%	-12.89%	1.52%
11	Return on Investment(ROI)	Income generated from investments	Time weighted average investments	0.00%	0.00%	0.00%

Note : In view of loss and negative net worth ratios are not comparable.

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 36 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

Particulars	(Rs . In Lakhs)	
	As at 31 March 2023	As at 31 March 2022
Total debts	2,023.42	1,850.11
Total equity	(1,109.21)	(591.79)
Total debts to equity ratio (Gearing ratio)	2.21	1.47

Note 37 : The Company have an overdue statutory dues as on 31st March 2023 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 251.22 lacs (including interest oi Rs. 136.51 lacs), Provident Fund / ESIC / Professional Tax of Rs. 209.96 lacs (including interest of Rs. 100.38 lacs) and Tax Deducted at Source or Rs. 761.92 lacs (including interest of Rs. 351.40 lacs). Though the Company has provided for interest upto 31st March, 2023 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. **The Auditor has given modified opinion in this regard.**

Note 38 : 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, the management is hoping for waive off of the rent 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, 2023 amounting to Rs. 455.36 lacs (including Rs. 28.46 lacs and Rs. 113.84 lacs for the quarter and Year ended 31st March 2023). **The Auditor has given modified opinion in this regard.**

Note 39 : 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, 2023 is Rs. 2431.02 lacs as Intangible Assets under Development. The management beleives that the expected future economic benefits that are attributable to the asset will flow to the Company. **The Auditor has given modified opinion in this regard.**

Note 40 : Though the company has incurred losses during the current quarter and previous year, the Company has recognised deferred tax asset amounting to Rs. 131.49 lacs as at 31st March, 2023 as management beleives that the Company will generate sufficient profits in near future to realise the same. **The Auditor has given modified opinion in this regard.**

Note 41 : 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.

Starcom Information Technology Limited
Summary of significant accounting policies and other explanatory information for the Year ended 31 March 2023

Note 42 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

1. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2. The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

3. The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

4. Utilisation of borrowed funds and share premium

I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

5. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

6. The Company has not traded or invested in crypto currency or virtual currency during the year.

7. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

Note 43 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

The accompanying notes form an integral part of the financial statements

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors
Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Ajad Mehata
Partner
Membership No. : 139040

Mr. Ziaulla Sheriff
Managing Director
DIN - 00002098

Mr. Maddur Gundurao Mohankumar
Director
DIN - 00020029

Mr. Mukhtar Ahmad
Chief Financial Officer

Joydeep Sarkar
Company Secretary

Place : Mumbai
Date : 30th May, 2023

Place : Bengaluru
Date : 30th May, 2023