

STARCOM INFORMATION TECHNOLOGY LIMITED

23RD
ANNUAL REPORT
2017-2018



FINANCIAL YEAR 2017-2018

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CORPORATE INFORMATION

Board of Directors:

Mr. Ziaulla Sheriff	- Chairman & Managing Director
Mr. Maddur Gundurao Mohan Kumar	- Independent Director
Ms. Sayeeda Hina	- Non Executive Director
Mr. Mohammad Yousuf Khan	- Independent Director

Chief Financial Officer

Mr. Mukhtar Ahmad

Company Secretary and Compliance officer:

Ms. Nidhi Sharma

Registered Office:

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

Corporate Office:

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

Auditors:

M/s. K.M Tulsian & Associates
Chartered Accountants

Bankers:

J & K Bank Ltd.
Yes Bank Ltd.
Indian Bank Ltd.
Corporation Bank Ltd.

Registrar & Share Transfer Agent:

Sharex Dynamic (India) Pvt. Ltd.
Unit- 1, Luthra Ind. Premises,
Andheri-Kurla Rd., Safed Pool, Andheri (E),
Mumbai – 400 072

STARCOM INFORMATION TECHNOLOGY LIMITED

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of **Starcom Information Technology Limited** will be held on Friday, 28th September 2018 at 11:30 a.m. at No. 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore 560008 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements comprising of the Balance Sheet as at 31st March 2018 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes, Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Sayeeda Hina (DIN: 03642269), who liable to retires 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.
3. **Ratification of appointment of Statutory Auditors:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, the appointment of M/s. K.M Tulsian & Associates, Chartered Accountants, Mumbai (Firm Registration No. 111075W), who were appointed as the Statutory Auditors of the Company at the 22nd Annual General Meeting, to hold office for a period of 5 (Five) years i.e. till the conclusion of the 27th Annual General Meeting of the Company, be and is hereby ratified upto Financial Year 2021-22 and the Board of Directors of the Company be and are hereby authorized to fix remuneration at a later date”

SPECIAL BUSINESS:

4. **Continuation of Directorship of Mr. Mohd. Yousuf Khan (DIN: 00751929), as non executive Director of Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**

“**RESOLVED THAT** pursuant to the Regulation 17(1A) (which shall be applicable with effect from April 1, 2019) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the Members be and is hereby accorded for continuation of the directorship of Mr. Mohammed Yousuf Khan (DIN: 00751929) as Independent Director of the Company who was appointed as an Independent Non- executive Director of the Company to hold office for a term of five consecutive years commencing from 30th October 2017 and who shall attain the age of 75 years on 24th June 2018 on existing terms and conditions.

RESOLVED FURTHER THAT that any one of the Directors or the Company Secretary of the Company, be and is hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution.”

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

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

Add: Al-Barka Golden Enclave, Airport Road, Bangalore-560017

Date: 14th August 2018
Place: Bangalore
CIN: L67120KA1995PLC078846

Registered Office:

73/1, Sheriff Centre, St. Marks Road, Bangalore-560001

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy/proxies need not be a member of the company. The duly completed, stamped and signed proxy form to be effective should be lodged at the registered office of the Company not later than 48 hours before the commencement of the meeting.**
2. **A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. The proxy holder shall prove his identity at the time of attending the meeting.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 21st September 2018 to Friday, 28th September 2018 (both days inclusive).
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out as Item No. 4 of the Notice is also annexed hereto.
5. As per Sections 101, 136 and other applicable provisions of the Act, read with the rules made there under and circulars issued by the Ministry of Corporate Affairs, Companies can now send various reports, documents, communications, including but not limited to annual report to its members through electronic mode at their registered e-mail addresses. The Company believes in green initiative and is concerned about the environment. Hence, copy of the Annual Report for 2017-18, including inter alia the Report of the Board of Directors', Auditors' Report, Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Notice of this AGM, instructions for e-voting, attendance slip, proxy form, etc. is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2017-18, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the physical mode.

To support "Green initiative", Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with their depository participants, in respect of electronic holdings. Members holding shares in physical form are requested to kindly register their e-mail addresses with the Company's R&TA at their abovementioned address. Annual Report is also available on the Company's website at www.starcominfotech.com

6. Members are requested to :-
 - i. Write to the Company at least 7 days before the date of the meeting at the Company's registered office, in case they desire any information as regards to the Company and the Audited Accounts for the Financial Year ended 31st March, 2018 so as to enable the Company to keep the information ready.
 - ii. Bring their copy of the Annual Report, duly filled in attendance slip and their photo identity proof at the Annual General Meeting.
 - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
 - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
 - v. Approach the R&TA of the Company for consolidation of folios, if they are holding Shares in identical order of names in more than one Folio.
 - vi. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registered Office or from its R&TA at either of the aforesaid addresses.
 - vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, M/s Sharex Dynamic (India) Pvt. Ltd. situated at Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai – 400 072 upto the date of book closure.
 - viii. Members are informed that in case joint holders attend the Meeting, only such joint holder who is higher in the order of names in the Register of Members/Beneficial Holders will be entitled to vote.

7. Corporate Members intending to send their representatives to attend the meeting are requested to send to the Company a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are, therefore, requested to kindly bring their copies at the time of attending the Meeting.
9. The Company has its shares listed on the BSE Limited. The listing fees till date have been paid.
10. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

In case you desire to receive the documents mentioned above in physical form or register or change your email address, you are requested to send an e-mail to info@starcominfotech.com.

11. Route map to the venue of AGM forming part of the Notice of the 23rd Annual General Meeting is annexed at the end of the said notice.
12. In terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has made arrangement for its members to exercise their right to vote on the resolutions proposed to be considered at Annual General Meeting by electronic means. The Company has appointed Central Depository Services Limited (CDSL) for facilitating e-voting.
13. The members shall note that the facility for voting shall also be provided at the meeting through poll paper and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting. If the members have already cast their vote by remote e-voting prior to the meeting they may attend the meeting but shall not be entitled to cast their vote again.
14. Ms. Sayeeda Hina (DIN: 03642269),, Director of the Company retires by rotation at the Annual General Meeting and being eligible, offers herself for re-appointment.

15. **E-voting through electronic means:**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, 25th September 2018 at 9.00 a.m. and ends on Sunday, 27th September 2018 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 21st September 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for **Starcom Information Technology Limited** on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

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A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cDSLindia.com.

16. 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 Friday, 21st September 2018.
17. Mr. Hemanshu Kapadia (FCS: 3477 and CP 2285), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, Mumbai or failing him Ms. Preeti Bhangle (FCS 8303 and CP 9134), Partner of VPP & Associates, Practicing Company Secretaries, Mumbai has been appointed as the Scrutinizer by the Board of Directors to scrutinize the e-voting process in a fair and transparent manner.
18. Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
19. The Scrutinizer(s) shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, within a period not exceeding two (2) days from the conclusion of the meeting a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

The Results declared along with the report of the Scrutinizers’ shall be placed on the website of the Company www.starcominfotech.com and on the website of CDSL immediately after the declaration of result by the Chairman or by a person duly authorised. The results shall also be immediately forwarded to the Stock Exchanges, where the equity shares of the Company are listed.

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

Sd/-
Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave, Airport Road, Bangalore-560017

Date: 14th August 2018
Place: Bangalore

Annexure to Item no. 2 of the Notice

The details of Directors' seeking re-appointment at the forthcoming Annual General Meeting Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI are as follows:

Name of Director	Ms. Sayeeda Hina Ahmed (DIN: 03642269)
Designation	Non – Executive Director
Date of Birth	11 th October 1966
Age	51 years
Qualifications	Master of Commerce (M.Com)
Nature of Expertise in specific functional area	She has an expertise in the field of Accounting & Finance.
Experience	25 years
Terms and conditions of appointment/re-appointment	Will continue to act as the Non-executive Director of the company.
Last drawn remuneration	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 2017-18	Four
Other Directorships	PRI Technologies Private Limited, Wisdom World Developers Private Limited, Wartyhully Estates Limited, Ossoor Estates Limited, Engineering Technology Associates Apme Private Limited
Membership/Chairmanships of the Committees of Boards of other listed entities	Nil
Remuneration to be drawn after appointment/re-appointment	Nil

Annexure to Item no. 4 of the Notice

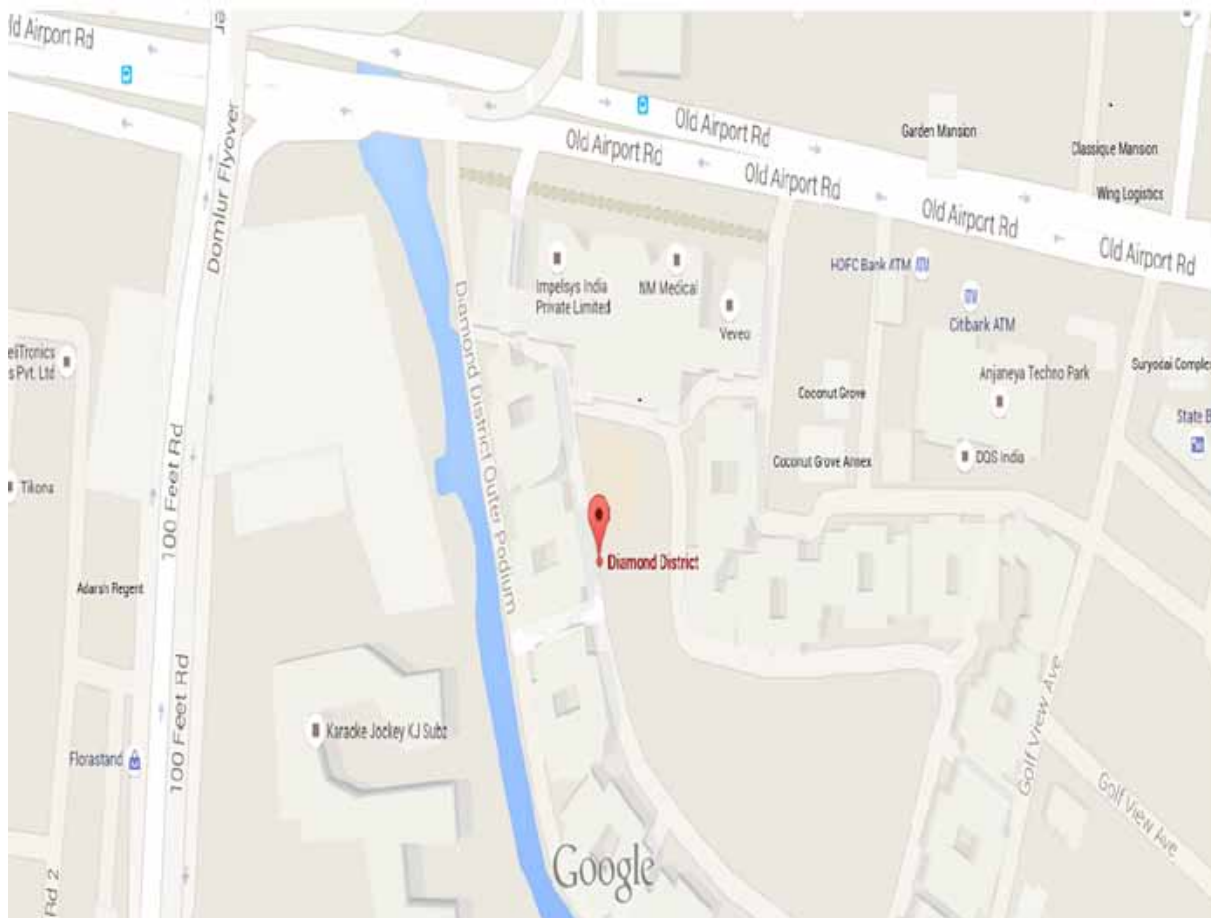
Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which would be effective from 1st April, 2019, listed entities have to pass a special resolution to appoint a non-executive director or continue the directorship of a non-executive director who has attained the age of 75 years as on 1st April, 2019 with justification for the same. Mr. Mohd. Yousuf Khan Non-Executive Independent Director will going to attain the age of 75 years on 24th June 2018 to continue them as Director of the Company w.e.f. 1st April, 2019, approval of the Members by way of passing Special Resolution needs to be obtained on or before March 31, 2019. It is therefore proposed to pass Special Resolutions at Item Nos. 4 of the Notice to continue him as Director of the Company w.e.f 1st April, 2019 for remainder of his terms in compliance with the abovementioned Regulation. The justification for the same is set out below:

He has more than 40 years of experience in different areas of Business Management and his expertise extends to finance, banking, commercial, industrial and general administration. At the 22nd Annual General Meeting of the Company held on 30th October, 2017, the Members had approved appointment of Mr. Khan as an Independent Director of the Company for a term of five consecutive years with effect from 30th October, 2017. Mr. Khan also serves as the Director of other Companies viz. Chenab Valley Power Projects Private Limited, Raheja Developers Limited, Juniper Wealth Advisory Private Limited, Star Health And Allied Insurance Company Limited, Realvalue Realtors Private Limited and Bharat Hotels Limited.

Save and except Mr. M Y Khan and his relatives to the extent of their shareholding, none of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4.

STARCOM INFORMATION TECHNOLOGY LIMITED

Map of the venue of the AGM:



Address: No 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore-560008

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

Sd/-
Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave, Airport Road, Bangalore-560017

Date: 14th August 2018
Place: Bangalore
CIN: L67120KA1995PLC078846

DIRECTOR REPORT

To,
The Members,

STARCOM INFORMATION TECHNOLOGY LIMITED

The Directors have pleasure in presenting the **Twenty Third Annual Report** of the Company and the Audited Financial Statements for the financial year ended **31st March 2018**.

1. Financial summary or highlights/Performance of the Company:

The financial highlights of the Company are given below. Kindly refer the financial statements forming part of this report for detailed financial information:

(Amt. in Rs.)

Particulars	2017-18	2016-17
Total Income	14,67,85,055	13,67,27,868
Total Expenditure	(14,53,28,917)	(13,65,03,296)
Profit/ (Loss) before Taxation	14,56,138	2,24,571
Less: Provision for Taxation	(4,26,689)	1,77,74
Net Profit after taxation	10,29,449	2,42,345

The above figure of the previous year has been reclassified as per the IND AS provision.

2. Brief description of the Company's working during the year/ State of Company's affair:

During the year under review your Company has achieved a turnover of Rs. 14, 67, 85,055/- as compared to turnover of Rs. 13, 67, 27,868/- in previous year registering increase in turnover by 7.35%. The total expenses of the Company during the reporting period have increased to Rs. 14,53,28,917/- from Rs. 13,65,03,296/- in the previous year. During the year under review, there was net profit after tax of Rs. 10,29,449/- as compared to profit after tax of Rs. 2,42,345/- in the previous financial year.

Your Directors assure to strive for bright future of your Company.

3. Dividend:

Your Board of Directors expresses its inability to recommend any dividend for the financial year 2017-18.

4. Reserves:

The Company's total reserve are of Rs. (2,68,39,157)/- for the year under review as compared to Rs.(2,85,41,413)/- for the previous year.

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

There was no change in nature of business.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

No material changes took place, which had effect on the financial position of the Company, subsequent to the close of the financial year of the Company i.e. 31st March 2018 and the date of this report.

7. 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.

8. Details of Subsidiary/Joint Ventures/Associate Companies:

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

9. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

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 no reportable material weakness in design and operation were observed. The Auditors also report 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.

10. Deposits:

During the year, the Company has not accepted any Deposits falling within the purview of Chapter V of the Companies Act, 2013 and Rules made there under.

However, as per the requirement of proviso to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of amount from the Directors and relative of Directors outstanding as on 31st March, 2018 is mentioned below;

Sl.No	Particulars	Amount (As on 31 st March 2018)
01	Mr. Ziaulla Sheriff (Managing Director)	146,357,730

11. Directors and Key Managerial Personnel:

A. Changes in Directors and Key Managerial Personnel:

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.

Mr. Mohd. Yousuf Khan who was appointed as an additional Director of the company on 31st March 2017, and his appointment was regularised in the Annual General Meeting held on 30th October 2017.

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.

As on 31st March 2018, following are designated as KMP of the Company:

1. Mr. Ziaulla Sheriff Chairman and Managing Director
2. Mr. Mukhtar Ahmed Chief Financial Officer
3. Ms Nidhi Sharma Company Secretary and Compliance officer

B. Board Evaluation:

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.

The following policies of the Company are attached herewith marked as **Annexure 1**:

1. Policy for selection of Directors and senior management and determining Directors independence and
2. Remuneration policy for Directors, Key Managerial Personnel and other employees.

Further, brief resume of the Directors proposed to be appointed and re-appointed, relevant information, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and the memberships/ chairmanships

of Committees of the Board and their shareholding in the Company, as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards -2 has been furnished separately in the notice convening the 23rd Annual General Meeting read with the Annexure thereto forming part of this Report.

C. Declaration by an Independent Director(s) and re-appointment, if any:

The Company has received declaration u/s 149(7) of the Companies Act, 2013 from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

The Company has also received disclosure of interest by all the Directors as per the provisions of Section 184 of Companies Act, 2013.

12. Number of meetings of the Board of Directors:

The Board of Directors met Five (5) times during the Financial Year on 30th May 2017, 24th August 2017, 14th September 2017, 14th December 2017 and 14th February 2018. The intervening gap between any two meetings was not more than 120 days as prescribed by the Companies Act, 2013.

Attendance at the Board meetings:

Name of Director	30.5.2017	24.8.2017	14.9.2017	14.12.2017	14.2.2018
Ziaulla Sheriff	Yes	Yes	No	Yes	Yes
Mohankumar Gundurao	Yes	Yes	Yes	Yes	Yes
Sayeeda Hina	Yes	No	Yes	Yes	Yes
Mohammad Khan	No	No	No	Yes	No

13. Secretarial Standards

The Company complies with the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

14. Details of Committees of the Board:

Currently the Board has 3 Committees; the Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. The composition of various committees and compliances, as per the applicable provisions of the Companies Act, 2013 along with the Rules made there under, brief details of various Committees are provided as follows:

i) Audit Committee:

The Board has an Audit Committee which comprises of three Non-Executive Directors. Mr. Ziaulla Sheriff (DIN: 00002098) ceased to be a member of the committee with effect from 31st March 2017. Mr. Mohammad Yousuf Khan was appointed as the member of the Audit committee in his place with effect from 31st March 2017. Ms Nidhi Sharma, Company Secretary and Compliance Officer, acted as the Secretary to the Committee. The composition of the Audit Committee is as follows:

Name	Designation	Category
Mr. Maddur Gundurao Mohankumar (DIN: 00020029)	Chairman	Independent
Ms. Sayeeda Hina (DIN: 03642269)	Member	Non-Executive
Mr. Mohammad Yousuf Khan (DIN: 00751929)	Member	Additional Independent

During the year, the Committee met 4 times. The details of the number of meetings and attendance at the meeting are given below:

Name of Director	30.5.2017	14.9.2017	14.12.2017	14.2.2018
Mr. Mohankumar Gundurao	Yes	Yes	Yes	Yes
Ms Sayeeda Hina	Yes	Yes	Yes	Yes
Mr. Mohammad Khan (w.e.f. 31st March 2018)	No	No	Yes	NO

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.

STARCOM INFORMATION TECHNOLOGY LIMITED

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

ii) **Nomination and Remuneration Committee:**

The Board has Nomination and Remuneration Committee which comprises of three Non Executive Directors. Mr. Mohmmad Yousuf Khan (DIN: 00751929) was appointed as the member of the Nomination and Remuneration Committee with effect from 31st March 2017. The composition of the Nomination and Remuneration Committee is as follows:

Name	Designation	Category
Mr. Maddur Gundurao Mohankumar (DIN: 00020029)	Chairman	Independent
Ms. Sayeeda Hina (DIN: 03642269)	Member	Non-Executive
Mr. Mohmmad Yousuf Khan (DIN: 00751929)	Member	Additional Independent

During the year, no Committee Meeting was held.

The appointment of the Directors and the Key Managerial Personnel is recommended to the Board by the 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 1** to the Directors' Report.

iii) **Stakeholders' Relationship Committee:**

The Board has Stakeholders' Relationship Committee comprising of three Directors. The composition of the Stakeholders' Relationship Committee is as follows:

Name	Designation	Category
Mr. Maddur Gundurao Mohankumar (DIN: 00020029)	Chairman	Independent
Ms. Sayeeda Hina (DIN: 03642269)	Member	Non-Executive
Mr. Ziaulla Sheriff (DIN: 00002098)	Member	Executive

The role of the Committee is to consider and resolve securities holders' complaint and to approve/ratify transfer of securities. The meetings of the Committee are held once in a quarter and the complaints, if any are responded and transfers are executed within the time frame provided.

iv) **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.

15. **Corporate Governance:**

The Company constantly strives to implement and comply with the requirements and disclosures of the corporate governance provisions as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, even though the said corporate governance provisions are not applicable to the Company.

16. **Auditors:**

At the Annual General Meeting held on 30th October 2017, M/s K. M. Tulsian & Associates Chartered Accountants (Firm Registration No. 111075W) were appointed as Statutory Auditors of the Company for a term of 5 years, in place of M/s. S G C O & Co. to hold office from the conclusion of the 22nd Annual General Meeting until the conclusion of 27th Annual General Meeting. In terms of the First proviso to section 139 of the Companies Act 2013, the appointment of the Auditor shall be placed for ratification at every subsequent Annual General Meeting. However, pursuant to the notification dated 07th May, 2018 of the Companies (Amendment) Act, 2017, the said appointment is not required to be ratified every year so long as the Auditors are eligible & qualified to be appointed. Accordingly the appointment of M/s K. M. Tulsian & Associates Chartered Accountants as the statutory Auditor of the company upto the financial year 2021-22, is to be placed for ratification by the Shareholder. In this regard, the Company has received a communication from the Auditors to the effect that their appointment is in accordance with the provisions of Section 141 of the Companies Act, 2013

The Members are requested to ratify the appointment of the statutory Auditors as aforesaid & fix their remuneration.

17. **Auditors' Report:**

The observations in the Auditors' Report are dealt in the notes forming Part of the accounts at appropriate places. The management's reply to the observations in the Annexure to the Auditors' Report is given under:

Clause No.	Auditors' Remarks/ Observations	Management Reply																														
Annexure B	<p>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 2018:</p> <p><i>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. This may potentially result in the risk of overriding of these controls and misstatement in recording of transaction.</i></p> <p>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</p>	The Company has noted the same and has already started taking necessary steps to improve the same.																														
(vii) a)	<p>According to the records of the Company, amount deducted/accrued in the books of accounts in respect of the undisputed statutory including Provident Fund, Employee's State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues to the extent applicable to the Company, <i>have not been regularly deposited with the appropriate authorities.</i> Undisputed amounts payable in respect thereof, which were outstanding as at 31st March 2018 for a period more than six months from the date they became payable are as follows.</p> <table border="1"> <thead> <tr> <th>Name of the Statute</th> <th>Nature of dues</th> <th>Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td>The Income Tax Act, 1961</td> <td>Tax Deduction at Source (TDS)</td> <td>1,47,43,795</td> </tr> <tr> <td>Finance Act, 1994</td> <td>Service Tax</td> <td>36,69,514</td> </tr> <tr> <td>The Employee's Provident fund and Miscellaneous Provisions Act, 1952</td> <td>Provident Fund</td> <td>57,91,464</td> </tr> <tr> <td>Central Sales Tax ,1956</td> <td>Central Sales Tax, Karnataka</td> <td>18,01,308</td> </tr> <tr> <td>Karnataka VAT,2003</td> <td>Value Added Tax</td> <td>3,16,644</td> </tr> <tr> <td>Central Sales Tax ,1956</td> <td>Central Sales Tax -Delhi</td> <td>22,65,768</td> </tr> <tr> <td>The Central Goods and Service Tax Act, 2017</td> <td>Goods and Service tax</td> <td>13,79,046</td> </tr> <tr> <td>The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976</td> <td>Professional Tax</td> <td>27,400</td> </tr> <tr> <td>Employees' State insurance Act,1948</td> <td>Employee State insurance</td> <td>91,240</td> </tr> </tbody> </table>	Name of the Statute	Nature of dues	Amount (Rs)	The Income Tax Act, 1961	Tax Deduction at Source (TDS)	1,47,43,795	Finance Act, 1994	Service Tax	36,69,514	The Employee's Provident fund and Miscellaneous Provisions Act, 1952	Provident Fund	57,91,464	Central Sales Tax ,1956	Central Sales Tax, Karnataka	18,01,308	Karnataka VAT,2003	Value Added Tax	3,16,644	Central Sales Tax ,1956	Central Sales Tax -Delhi	22,65,768	The Central Goods and Service Tax Act, 2017	Goods and Service tax	13,79,046	The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976	Professional Tax	27,400	Employees' State insurance Act,1948	Employee State insurance	91,240	Due to administrative and financial difficulties faced by the Company, there are irregularities in depositing the statutory dues with the appropriate authorities.
Name of the Statute	Nature of dues	Amount (Rs)																														
The Income Tax Act, 1961	Tax Deduction at Source (TDS)	1,47,43,795																														
Finance Act, 1994	Service Tax	36,69,514																														
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The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976	Professional Tax	27,400																														
Employees' State insurance Act,1948	Employee State insurance	91,240																														

18. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (FCS: 3477 and CP: 2285), to undertake the Secretarial Audit of the Company for the financial year 2017-18 and issue Secretarial Audit Report. The Secretarial Audit Report issued by M/s. Hemanshu Kapadia & Associates for the financial year 2017-18 in Form MR-3 forms part of this report and marked as **Annexure 3**. The reply from the Board on the remarks/ qualifications of the Secretarial Auditors is as under:

Sr. No.	Remarks/qualifications by Secretarial Auditor	Management Reply
1.	<i>The minimum public shareholding in the Company is not in conformity with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Clause 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The public shareholding of the Company is less than 25% of the total paid-up share capital of the Company. However the minimum public shareholding was raised to 25% of the paid up share capital of the company with effect from 23rd August 2017 & thus complied</i>	The minimum public shareholding was raised to 25% of the paid up share capital of the company with effect from 23 rd August 2017 & thus complied.

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Sr. No.	Remarks/qualifications by Secretarial Auditor	Management Reply
2.	<i>We further report that the during the year under review, the Company has made settlement application to the Securities and Exchange Board of India (SEBI) in response to Notice of Settlement for Approved Enforcement Action issued by the SEBI vide its letter No. EFD/DRA-III/NRM/OW/536/2018 dated 5th January 2018 pursuant to SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (Settlement Regulations) pertaining to violation of securities law and the application is pending disposal by SEBI.</i>	The observation is self explanatory.

19. 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, the Board of Directors in their meeting held on 14th September 2017 had appointed M/s. Mahesh & Nagaraj Chartered Accountants, (Firm Registration Number: 010986S) as the Internal Auditors of the Company for the financial year 2017- 2018.

20. Extract of the Annual Return:

In accordance with Section 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT – 9 is annexed to the Directors' Report as **Annexure 4**.

21. Details of establishment of vigil mechanism for Directors and employees:

The Vigil Mechanism of the Company, provides Directors and Employees to report their concerns and has also taken steps to safeguard any person using this mechanism from victimization and in appropriate and exceptional cases, there is direct access to approach Mr. Maddur Gundurao Mohankumar (DIN: 00020029), Chairman of the Audit Committee. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. 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>

22. Disclosure under the Sexual Harassment of Women at Workplace (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.

23. Conservation of energy, 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 are as follows:

A) Conservation of energy:

i) 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.

ii) The steps taken by the Company for utilising 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.

iii) The capital investment on energy conservation equipment:

Not Applicable

B) Technology absorption:

i) The efforts made towards technology absorption:

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

ii) 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.

iii) **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.

iv) **The expenditure incurred on Research and Development:** Nil

C) Foreign exchange earnings and Outgo:

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

Particulars	Financial year 2017-18	Financial year 2016-17
Foreign Exchange inflow	5,00,77,735	5,07,51,014
Foreign Exchange outflow	86,45,583	49,09,451

24. Particulars of loans, guarantees or investments under Section 186:

During the year under review, the Company has not provided any loans, made investments, gave guarantees or subscribed/purchased securities under Section 186 of the Companies Act, 2013.

25. Particulars of contracts or arrangements with related parties:

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 2** to the Directors' Report.

26. Directors' Responsibility Statement:

As stipulated under clause (c) of sub-Section (3) of Section 134 of the Companies Act, 2013, your Directors subscribe to the Directors' Responsibility Statement and state that:

- in preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed and there are no material departures from them;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the profit and loss of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the proper internal financial controls are in place and that the financial controls are adequate and are operating effectively during the financial year ended 31st March 2018; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March 2018.

27. Managerial Remuneration:

- 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 5**.
- 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 6**.
- 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.

28. Risk management policy:

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.

29. Management Discussion and Analysis:

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 – 7** and forms a part of this Report.

30. 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:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) 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).
- d) Explanation for deviation in use proceeds of public issue, rights issue, preferential issue etc.
- e) 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.

31. Acknowledgements:

The Directors express their deep gratitude for the co-operation and support extended to your Company by its customers, suppliers, bankers and various government agencies. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation. The Directors are also thankful to the Shareholders for their continued support to the Company.

For and on behalf of the Board of Directors

Sd/-

Ziaulla Sheriff

Chairman and Managing Director

DIN: 00002098

Address: Al-Barka Golden Enclave, Airport Road, Bangalore-560017

Date: 14th August 2018

Place: Bangalore

ANNEXURE - 1

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
 - i. Executive Chairman and / or Managing Director
 - ii. Whole-time Director
 - iii. Chief Financial Officer
 - iv. Company Secretary
 - v. Such other officer as may be prescribed under the applicable statutory provisions /regulations
 - vi. 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:

1. **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.
2. **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.

For and on behalf of the Board of Directors

Sd/-

Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

Address: Al-Barka Golden Enclave,
Airport Road, Bangalore-560017

Date: 14th August 2018

Place: Bangalore

ANNEXURE - 2

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 material contracts or arrangement or transactions not at arm's length basis: NIL

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

- (a) **Name(s) of the related party and nature of relationship:** Mr. Ziaulla Sheriff and Ms. Sayeeda Hina. Mr. Ziaulla Sheriff is a partner in the firm namely, Sheriff and Bhatia Associates. Ms. Sayeeda Hina is daughter of Mr. Ziaulla Sheriff.
- (b) **Nature of contracts/arrangements/transactions:** Payment of rent by Starcom Information Technology Limited for using the premises located at Times Square, No. 88 MG Road, Bangalore – 560001.
- (c) **Duration of the contracts / arrangements/ transactions:** The lease shall commence from 1st June 2012 to 31st May 2017 and can be extended for such period on such terms and conditions as the parties may mutually agree in writing.
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Starcom Information Technology Limited has agreed to deposit with the lessor Rs.1,00,00,000/- as Security Deposit. The rent to be paid by the Company every month is Rs.16,50,000 /-.
- (e) **Date(s) of approval by the Board:** 26th December 2014
- (f) **Amount paid as advances, if any:** Security Deposit of Rs.1,00,00,000/- is paid by Starcom Information Technology Limited to M/s. Sheriff and Bhatia Associates.

For and on behalf of the Board of Directors

Sd/-

Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098
Address: Al-Barka Golden Enclave, Airport Road, Bangalore-560017

Date: 14th August 2018
Place: Bangalore

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2018

[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

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

Bangalore - 560001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 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 2018 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 Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company**);
- (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**); and
 - 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**);
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Other laws applicable specifically to the Company namely:

- i. Information Technology Act, 2000 and the rules made thereunder

We have also examined compliance with the applicable clauses of the following:

(i) 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, 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 mandatory 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:

The minimum public shareholding in the Company was not in conformity with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Clause 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The public shareholding of the Company was less than 25% of the total paid-up share capital of the Company. However, during the year the minimum public shareholding was raised to 25% of the total paid-up share capital of the Company with effect from 23rd August 2017 and thus complied.

We further report that during the year under review, the Company has made settlement application to the Securities and Exchange Board of India (SEBI) in response to Notice of Settlement for Approved Enforcement Action issued by the SEBI vide its letter No. EFD/DRA-III/NRM/OW/536/2018 dated 5th January 2018 pursuant to SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (Settlement Regulations) pertaining to violation of securities law and the application is pending disposal by SEBI.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We 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) Foreign technical collaborations.

For Hemanshu Kapadia &
Associates Practicing Company Secretaries

Hemanshu Kapadia Proprietor
C.P. No.: 2285
Membership No.: 3477

Date: 14th August, 2018
Place: Mumbai

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.

HEMANSHU KAPADIA & ASSOCIATES

COMPANY SECRETARIES

Office No. 12, 14th Floor, Navjivan Society, Building No.3

Lamington Road, Mumbai-400 008

Tel 6631 0888/6631 4830

E-mail: hemanshu@hkacs.com

Annexure A

To,
The Members,
Starcom Information Technology Limited
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. We 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. We 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.

For Hemanshu Kapadia & Associates

Hemanshu Kapadia
Proprietor
C. P. No.2285
Membership No. 3477

Date: 14th August, 2018
Place: Mumbai

ANNEXURE - 4

EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2018 date

[Pursuant to Section 92(3) of the Companies act, 2013 read with

[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	L67120KA1995PLC078846
Registration Date:	17th February 1995
Name of the Company:	Starcom Information Technology Ltd
Category / Sub-Category of the Company	Company Limited by Share Capital, Non-Government Company
Address of the Registered office and contact details:	73/1, Sheriff Centre, 5th Floor, St. Marks Road, Bangalore - 560001 Phone: 80 6765000 E-mail: info@starcominfotech.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd., Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072 Telephone Nos: 022 2264 1376, 022 2270 2485 E-mail: investor@sharexindia.com Fax: 2264 1349

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Test, Measurement & Embedded Solutions for Educational Sector	63119	28.89%
b.	Sale of non-customized Data Analytic software products	47413	71.10%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
No Holding, Subsidiary and Associate Company				

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. PROMOTER'S										
(1). INDIAN										
(a). Individual	3836857	0	3836857	76.73	3750450	0	3750450	75.000	-1.73	
(b). Central/State Govt.		0				0			0	
(c). FIINS / BANKS.		0				0			0	
(d). Any Other		0				0			0	
Sub-total (A) (1):-	3836857	0	3836857	76.73	3750450	0	3750450	75.00	-1.73	
(2). FOREIGN										
(a). Individual NRI / For Ind		0				0			0	
(b).Government		0				0			0	
(c). Institutions		0				0			0	

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d). Foreign Portfolio Investors		0				0			0
(e). Any Other Specify		0				0			0
Sub-total (A) (2):-		0				0			0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	3836857	0	3836857	76.73	3750450	0	3750450	75.00	-1.73
(B). PUBLIC SHAREHOLDING									
(1). Institutions									
(a). Mutual Funds		0				0			0.000
(b). Venture Capital Funds		0				0			0.000
(c). Alternate Investments Funds		0				0			0.000
(d). Foreign Venture Capital Funds		0				0			0.000
(e). Foreign Portfolio Investors	598700	0	598700	11.97	598700	0	598700	11.97	0.000
(f). Financial Institutions / Banks		0				0			0.000
(g). Insurance Companies		0				0			0.000
(h). Central / State Government / President Of India		0				0			0.000
(i). Provident Funds / Pension Funds		0				0			0.000
(j). Others (specify)		0				0			0
Sub-total (B)(1):-	598700	0	598700	11.97	598700	0	598700	11.97	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	24163	0	24163	0.483	27380	0	27380	0.548	0.065
(ii). Overseas		0				0			0.000
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	146463	84220	230683	4.613	172666	82420	255086	5.101	0.488
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	309245	0	309245	6.184	353433	0	353433	7.068	0.884
(c). Other (specify)									
Non Resident Indians	850	0	850	0.017	15550	0	15550	0.311	0.294
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	102	0	102	0.002	1	0	1	0	-0.002
Trusts		0				0			0

STARCOM INFORMATION TECHNOLOGY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	480823	84220	565043	11.299	569030	82420	651450	13.028	1.729
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1079523	84220	1163743	23.269	1167730	82420	1250150	24.998	1.729
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	1079523	84220	1163743	23.27	1167730	82420	1250150	25.00	1.729
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	1079523	84220	1163743	23.27	1167730	82420	1250150	25.00	1.729

Shareholding of promoters MGT9 Report

Sr.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes in share holding during the year
		No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	ZIAULLA SHERIFF	3836857	76.73	0	3750450	75.00	9.21	-1.73
Change in Promoter's Shareholding (Please specify,if there is change)								

Sr.No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	
1	ZIAULLA SHERIFF	3836857	76.73	01-04-2017				
				25-08-2017	-86407	Sold	3750450	75.00
	-Closing Balance			31-03-2018			3750450	75.00

Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):

Sr.No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
1	ANTARA INDIA EVERGREEN FUND LTD	156000	3.12	01-04-2017				
	-Closing Balance			31-03-2018		No Change	156000	3.12
2	PLUTUS TERRA INDIA FUND	155000	3.10	01-04-2017				
	-Closing Balance			31-03-2018		No Change	155000	3.10
3	AUCTOR INVESTMENTS LIMITED	154000	3.08	01-04-2017				
	-Closing Balance			31-03-2018		No Change	154000	3.08

Sr.No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
4	ELARA CAPITAL MAURITIUS LTD	133700	2.674	01-04-2017				
	-Closing Balance			31-03-2018		No Change	133700	2.674
5	YOGESH K MEHRA-HUF	49400	0.988	01-04-2017				
	-Closing Balance			31-03-2018		No Change	49400	0.988
6	K J PURUSHOTHAM	44480	0.889	01-04-2017				
	-Closing Balance			31-03-2018		No Change	44480	0.889
7	ALFAZ SULTAN MILLER .	44250	0.885	01-04-2017				
				04-08-2017	-1183	Sold	43067	0.861
				11-08-2017	-133	Sold	42934	0.859
	-Closing Balance			31-03-2018			42934	0.859
8	YOGESH KANWAL MEHRA	38469	0.769	01-04-2017				
				02-06-2017	225	Buy	38694	0.774
				09-06-2017	111	Buy	38805	0.776
				16-06-2017	20	Buy	38825	0.776
				23-06-2017	198	Buy	39023	0.78
				30-06-2017	86	Buy	39109	0.782
				07-07-2017	-3568	Sold	35541	0.711
				14-07-2017	-201	Sold	35340	0.707
				21-07-2017	50	Buy	35390	0.708
				28-07-2017	275	Buy	35665	0.713
				04-08-2017	3443	Buy	39108	0.782
				11-08-2017	-3600	Sold	35508	0.71
				18-08-2017	50	Buy	35558	0.711
				25-08-2017	152	Buy	35710	0.714
				15-09-2017	-1050	Sold	34660	0.693
				22-09-2017	-25	Sold	34635	0.693
	-Closing Balance			31-03-2018			34635	0.693
9	ISHA YOGESH MEHRA	31254	0.625	01-04-2017				
	-Closing Balance			31-03-2018		No Change	31254	0.625
10	EKTAA KUKREJA	0	0	01-04-2017				
				25-08-2017	21600	Buy	21600	0.432
	-Closing Balance			31-03-2018			21600	0.432
11	NIKUNJ PRAVIN JHAVERI	20296	0.406	01-04-2017				
	-Closing Balance			31-03-2018		No Change	20296	0.406

Shareholding of Directors and Key Managerial Personnel:

Sr.No	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
1	Mr. Ziaulla Sheriff	3836857	76.73		86407	Offer For Sale	3750450	75

STARCOM INFORMATION TECHNOLOGY LIMITED

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	0	126,666,106.00	0	126,666,106.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	126,666,106.00	0	126,666,106.00
Change in Indebtedness during the financial year				
Additions	0	118,691,624.00	0	118,691,624.00
Reduction	0	-99,000,000.00	0	-99,000,000.00
Net Change		19,691,624.00		19,691,624.00
Indebtedness at the end of the financial year				
i) Principal Amount	0	146,357,730.00	0	146,357,730.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	146,357,730.00	0	146,357,730.00

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1	Gross salary	No remuneration is paid to the Managing Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors Manager	Total Amount	
1. Independent Directors	Mr. Maddur Gundurao Mohankumar	Mr. Mohammed Yousuf Khan	
•Fee for attending board / committee meetings	0	0	
• Commission	0	0	
• Others, please specify	0	0	
Total (1)			
2. Other Non-Executive Directors	Ms. Sayeeda Hina		
•Fee for attending board / committee meetings	0		
• Commission	0		
• Others, please specify	0		
Total (2)			
Total (B)=(1+2)			
Total Managerial Remuneration			
Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Ms Nidhi Sharma Company Secretary	Mr. Mukhtar Ahmad CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	There is no CEO in the Company	1,80,000	0	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		2,70,000	0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	0	
2	Stock Option		0	0	
3	Sweat Equity		0	0	
4	Commission - as % of profit - others, specify...		0	0	
	Others, please specify		0	0	
	Total		4,50,000		

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
A. Company					
Penalty	NIL				
Punishment					
Compounding					
B. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

ANNEXURE - 5

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

i. 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 2017-18 was Rs.6,11,921/-. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 will be zero as no remuneration is paid to the Directors.

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

Not Applicable.

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

In the Financial Year 2017-18, there was an increase of 12.64% in the median remuneration of employees.

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

There were 75 (including KMP) permanent employees on the rolls of the Company as on 31st March 2018.

v. 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 i.e. 2017-18 was 16.65%, whereas no remuneration is paid to the Directors of the Company.

vi. 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.

For and on behalf of the Board of Directors

Sd/-

Ziaulla Sheriff

Chairman and Managing Director

DIN: 00002098

Address: Al-Barka Golden Enclave,
Airport Road, Bangalore-560017

Date: 14th August 2018

Place: Bangalore

ANNEXURE - 6

DETAILS OF TOP TEN EMPLOYEES OF THE COMPANY

SR. NO.	NAME OF THE EMPLOYEE	DESIGNATION OF THE EMPLOYEE	REMUNERATION RECEIVED PER MONTH (in Rs.)	NATURE OF EMPLOYMENT	QUALIFICATION	EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT IN THE COMPANY	AGE	LAST EMPLOYMENT HELD BY SUCH EMPLOYEE BEFORE JOINING THE COMPANY	PERCENTAGE OF SHARES HELD IN THE COMPANY ALONG WITH SPOUSE AND DEPENDENT CHILDREN	WHETHER A RELATIVE OF DIRECTOR OR MANAGER OF THE COMPANY
1	MEHRAJ LANKER	CHIEF MARKETING OFFICER	4,178,400	PERMANENT	B.Tech	20 Years	08-01-2015	45	Cranes Software International Limited	0.04	No
2	ASHFAQ IBRAHIM	CHIEF SALES OFFICER	4,128,399	PERMANENT	MBA	22 Years	08-01-2015	50	Cranes Software International Limited	NIL	No
3	AMUTHUKKINIYAVEL MANOHARAN	VICE PRESIDENT	3,608,403	PERMANENT	MCA	22 Years	08-01-2014	47	Cranes Software International Limited	NIL	No
4	SYED ABDUL MUJEEB	CHIEF TECHNOLOGY OFFICER	3,412,546	PERMANENT	M.Tech	25 Years	08-01-2014	52	ABK Softwares Private Ltd	NIL	No
5	SHAIK MUSTAK AHMED	ASSOCIATE VICE PRESIDENT - TECHNOLOGY	2,443,317	PERMANENT	MBA	19.3 Years	05-02-2014	42	Reznex Global Solutions Pvt Ltd	NIL	No
6	PANDIARAJAN T	PROJECT LEAD	2,218,950	PERMANENT	B.Tech	14 years	08-01-2014	48	Cranes Software International Limited	NIL	No
7	WAHAB SHARIFF	MANAGER - SALES	2,153,397	PERMANENT	B.Tech	18 years	08-01-2014	47	Cranes Software International Limited	NIL	No
8	ONKARA MURTHY H M	TEAM LEAD	1,913,400	PERMANENT	B.Tech	12 years	08-01-2014	47	Cranes Software International Limited	NIL	No
9	HAJI UDUMAN	TEAMLEAD	1,827,910	PERMANENT	B.Tech	12 years	08-01-2015	34	ABK Softwares Private Ltd	NIL	No
10	BELUR GURURAJA RAO NAGARAJA	ASSOCIATE VICE PRESIDENT - SALES	1,815,903	PERMANENT	B.Tech	22 years	08-01-2015	49	Cranes Software International Limited	NIL	No

ANNEXURE - 7

MANAGEMENT DISCUSSION AND ANALYSIS

1. 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 Company has been steadily expanding its customer base, infrastructure, product lines and industry verticals. The growth momentum of 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.

According to the International Monetary Fund (IMF), the global economy is experiencing a near synchronous recovery. Roughly three-quarters of the countries experienced improvements in their growth rates. IMF has forecast the global growth to reach 6.5% in 2017-18. Also, India improved its ranking by 30 spots on the World Bank's Ease of Doing Business rankings. Companies are increasingly outsourcing their technology & IT services requirements to global IT services providers who can deliver high quality service on a global scale & Competitive Costs. Global IT services providers offer a range of end to end software developments, IT business solutions, research & development services, business process services, consulting and related support functions.

With the business environment increasingly characterized by Volatility, Uncertainty, Complexity and Ambiguity (VUCA) due to disruptive technologies it has become imperative to manage these four variables to be successful in business. This is more pronounced in the IT industry where the digital disruption has brought a paradigm shift in the way business is done, in the way solutions are designed and in the business delivery models. In essence, it has changed the ecosystem radically demanding a different capability for organizations to be successful.

PRODUCTS

Starcom Information Technology Limited, is a leading provider of Data Management Solution which includes customer 360, Automated Data Quality, Business Intelligence & Data Analytics Products and Services. The Global clientele rely on Starcom for end to end solutions to manage their Overall Data quality and MIS / Business Intelligence programs. The core of Star360° platform is a powerful combination of our proprietary products StarDQ & StarBI.

STAR DQ A powerful, real time enterprise solution for Data Cleansing, De-duping, Clustering and enriching the data. By integrating StarDQ Solution, organizations can cleanse, match and unify data across multiple data sources and data domains, to create a strategic, trustworthy, valuable asset that enhances decision making power, reduce expenses and ensure seamless customer interaction.

STAR BI A Self-Service business intelligence software 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. As a Self-Service BI Software, StarBI empowers business users by turning data into actionable insights and enable organizations to improve on decision making.

STAR 360 This platform serves as single point of contact for front-end Digital systems, CRM Systems etc. to deliver the comprehensive 360° view of the Customer irrespective of the industry.

Salient Features of Star360°:

- A niche platform for a single view of the customer across various domains
- Sourcing data from multiple databases pertaining to various LOB's running in silos.
- Cleansing, Standardization and Enrichment of data, based on various Business rules.
- De-Duplicates the Customer records sourced from multiple silos and produces a refined database repository to create a 'single source of truth' for all Customer related queries.
- A single view of the customer reduces the inefficiencies related to marketing activities to almost 20% and Increases ROI.
- Serves as single point of contact for front-end Digital systems, CRM Systems etc. to deliver the comprehensive 360° view of the Customer across various domains.
- UI based monitoring control panels to manage the internal processes with suitable reports and dashboards coupled with alerts and notifications.

2. OPPORTUNITIES & THREATS- OUR STRENGTHS

We believe our strengths give us the competitive advantage to position ourselves as the leading global products and solutions company. Recovery and growth of economy as well as significant technology changes are presenting several opportunities to Starcom Information Technology limited. India remains a high potential market worldwide, offering multiple opportunities for unmet needs. Starcom Information Technology Limited sees opportunities of growth on the back of reviving global economies; better offshore IT spends in most industry verticals, on-going renewals, cycles of IT Services spends being the new imperative across industries. The demand for “ROI” services, positive outlook on discretionary spends, acceptance of new business models and platforms, a stronger balance-sheet size post-merger, cross selling opportunities to a wider client base and availability of qualified and skilled workforce etc. also augur well for Starcom. Improving fortunes of IT industry is increasing the demand for IT professionals and large scale recruitment.

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 simple 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 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 “Up & Down”, superior quality and process execution, Global Delivery Model, experienced management team, talented professionals and track record as reasons for awarding us contracts.

3. Segment-wise Performance:

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

Particulars	Year ended 31st March 2018 (Amt in Lakhs.)
A. Segment Revenue	
1. Test, Measurement & Embedded Solutions for Educational Sector	385.22
2. Statistical & Analytics Software	947.98
Total Revenue	1,333.20
B. Segment Results	
1. Test, Measurement & Embedded Solutions for Educational Sector	81.61
2. Statistical & Analytics Software	586.37
Total	667.98
Less: Interest Expenses	104.06
Unallocable Expenditure	549.36
Add: Exceptional Item	-
Total Profit Before Tax	14.57
Less; Tax Expenditure	4.27
C. Capital Employed	
1. Test, Measurement & Embedded Solutions for Educational Sector	103.65
2. Statistical & Analytics Software	2557.92
3. Unallocated	-2429.9
Total Capital Employed	231.67

4. 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.

5. 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.

6. 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.

7. Discussion on financial performance with respect to operational performance:

Financial performance:

Particulars	2017-18 (Amount in Rs.)	2016-17 (Amount. in Rs.)	Change (%)
Revenue from operations (1)	13,33,20,133	12,80,78,463	4.09
Other income (2)	1,34,64,921	8,649,405	55.67
Sub-total (1+2)	14,67,85,054	13,67,27,868	7.35
Total Expenditure	14,53,28,917	13,65,03,296	6.46
Profit/(Loss) before Tax	14,56,137	2,24,571	548.40
Profit/ (Loss) after Tax	10,29,449	2,42,345	324.78

There has been increase of in the revenues of the Company as compared to the previous year by 4.09%. The Company was unable to reduce the expenses & it got increased by 7.35% to Rs. 14,53,28,917/- from Rs. 13,65,03,296/- incurred in the previous financial year. However, the other income of the Company has increased drastically by 55.67%. During the current financial year the Company has recorded Profit after tax of Rs. 10,29,449/- as compared to the profit after tax of Rs. 2,42,345/- in the previous year. The Company is expected to earn more profits in the coming years.

8. 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 74 (including KMP) permanent employees on the rolls of the Company as on 31st March 2018.

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.

For and on behalf of the Board of Directors

Sd/-

Ziaulla Sheriff

Chairman and Managing Director

DIN: 00002098

Address: Al-Barka Golden Enclave,
Airport Road, Bangalore-560017

Date: 14th August 2018

Place: Bangalore

INDEPENDENT AUDITOR'S REPORT

To the Members of Starcom Information Technology Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **Starcom Information Technology Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) 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 the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.

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 are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 including the Ind AS, of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

1. The Financials Statements of the Company for the year ended 31st March 2017, were audited by SGCO & Co. LLP who expressed an unmodified opinion on those statements.
2. The comparative financial Information of the company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April 2016 included in these Ind AS Financial Statements ,are based on the statutory Financials Statements prepared in accordance with the companies (Accounting Standard), Rules, 2006 audited by SGCO & Co. LLP whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May 2017 and 30th May 2016 respectively expressed an

unmodified opinion on those Financial Statements, as adopted for the differences in accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in exercise of powers 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 paragraphs 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) In our opinion proper books of account as required by law have been kept by the Company so far as 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) In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018, from being appointed as a director under sub-section (2) of section 164.
 - f) 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
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. (Refer Note no. 28 of Financial Statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For K.M. Tulsian & Associates

Chartered Accountants

Firm's Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

Place: Mumbai

Date : 30th May 2018

Annexure “A” to the Independent Auditor’s Report

Annexure referred to in Paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date to the members of Starcom Information Technology Limited (“the company”) on the Ind AS financial statements for the year ended 31st March 2018.

As required by the Companies (Auditors Report) Order, 2016 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
- c) According to the information and explanations given to us the company does not hold any immovable property.
- (ii) The inventories have been physically verified by the Management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compare to books of records were not material and have been properly dealt with the books of accounts.
- (iii) During the year, the Company has not granted any loans whether secured or unsecured to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, section 185 and section 186 of the Companies Act, 2013 is not applicable, since the Company has neither granted any loan nor made any investment in any securities or given any guarantees or security in/or body corporate.
- (v) According to the information and explanations given to us and on the basis of our examination of records, the Company has not accepted any deposits from public within the provision of section 73 to 76 of the Act and ruled framed there under.
- (vi) The Central Government has not prescribed for the maintenance of cost record under Section 148(1) of the Act.
- (vii) a) 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, Employee’s State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other Statutory Dues to the extent applicable to the Company, have not been regularly deposited with the appropriate authorities. Undisputed amounts payable in respects thereof, which were outstanding as at 31st March 2018 for a period more than six months from the date they became payable are as follows:

Name of the Statute	Nature of dues	Amount (Rs)
The Income Tax Act, 1961	Tax Deduction at Source (TDS)	1,47,43,795
Finance Act, 1994	Service Tax	36,69,514
The Employee’s Provident fund and Miscellaneous Provisions Act, 1952	Provident Fund	57,91,464
Central Sales Tax ,1956	Central Sales Tax, Karnataka	18,01,308
Karnataka VAT,2003	Value Added Tax	3,16,644
Central Sales Tax ,1956	Central Sales Tax -Delhi	22,65,768
The Central Goods and Service Tax Act, 2017	Goods and Service tax	13,79,046
TheKarnatakaTaxonProfessions,Trades,CallingsandEmploymentAct,1976	Professional Tax	27,400
Employees’ State insurance Act,1948	Employee State insurance	91,240

- b) According to the information and explanations given to us, there are no dues with respect to Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, and Value Added Tax which have not been deposited on account of dispute.
- (viii) As per the information and explanations given by the management, the Company has no facilities from banks, financial institutions and has not issued debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to information and explanation given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instances by the management.

- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid / provided for any managerial remuneration. Hence paragraph 3(xi) of the Order is not applicable to the company.
- (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 to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with section 177 and company had not entered into any transaction which are covered under section 188 of Companies Act, 2013.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For K.M. Tulsian & Associates

Chartered Accountants

Firm's Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

Place: Mumbai

Date : 30th May 2018

Annexure “B” to the Independent Auditor’s Report of even date on the Ind AS financial statements of Starcom Information Technology Limited for the year ended 31st March 2018.

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, 2018 in conjunction with our audit of the Ind AS 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2018:

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. This may potentially result in the risk of overriding of these controls and misstatement in recording of transaction.

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, 2018, 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 Ind AS financial statements of the Company.

For K.M. Tulsian & Associates

Chartered Accountants

Firm’s Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

Place: Mumbai

Date : 30th May 2018

STARCOM INFORMATION TECHNOLOGY LIMITED
Balance Sheet as at 31 March 2018

(Amount in Rs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
A) Non-current assets				
Property, Plant and Equipment	3	2,909,059	5,760,220	11,405,672
Intangible Assets	4	36,151,478	31,161,635	-
Intangible Assets Under Development	4	150,020,186	124,684,468	126,532,570
Financial Assets				
Others Financial Assets	5	4,493,598	5,672,938	4,986,346
Deferred Tax Assets (Net)	6	8,492,644	8,220,116	6,742,893
Other Non - current assets	7	911,600	44,873	292,261
Total Non - current assets		202,978,565	175,544,251	149,959,741
B) Current assets				
Inventories	8	1,356,430	2,343,155	1,307,109
Financial Assets				
Trade receivables	9	94,538,892	85,081,387	125,528,492
Cash and cash equivalents	10	939,499	688,234	3,632,849
Bank Balances other than Cash and cash equivalents	11	185,800	195,825	99,408
Others Financial Assets	5	18,366,919	1,895,598	3,137,324
Income Tax Assets (net)	12	-	783,785	2,241,576
Other current assets	7	2,127,393	1,458,411	1,565,792
Total Current assets		117,514,933	92,446,395	137,512,550
TOTAL ASSETS		320,493,498	267,990,645	287,472,291
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	13	50,006,000	50,006,000	50,006,000
Other Equity		(26,839,157)	(28,541,413)	(28,609,468)
Total Equity		23,166,843	21,464,587	21,396,532
LIABILITIES				
A) Non-current liabilities				
Financial Liabilities				
Borrowings	14	42,006,691	36,354,923	170,269,269
Other financial liabilities	15	-	-	17,345
Provisions	16	5,841,457	5,043,411	2,841,210
Total Non-current liabilities		47,848,148	41,398,334	173,127,824
B) Current liabilities				
Financial Liabilities				
Trade payables	17			
- Due to micro and small enterprises		941,190	1,777,650	1,233,375
- Due to Others		79,214,892	69,211,093	60,680,269
Other financial liabilities	15	7,228,795	5,445,796	4,058,986
Provisions	16	506,055	365,306	203,240
Income Tax Liability (net)	12	977,430	-	-
Other Current Liabilities	18	160,610,145	128,327,879	26,772,066
Total Current liabilities		249,478,507	205,127,724	92,947,935
TOTAL EQUITY AND LIABILITIES		320,493,498	267,990,645	287,472,291

Notes 1 to 36 form an integral part of the financial statements

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

For K.M.Tulsian & Associates

 Chartered Accountants
 Firm Reg. No. 111075W

Nitesh Musahib
 Partner
 Mem No.: 131146

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

Nidhi Sharma
 Company Secretary

 Place : Mumbai
 Date: 30th May,2018

 Place : Bengaluru
 Date: 30th May,2018

Statement of Profit and Loss for the year ended 31 March 2018

(Amount in Rs)

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
Revenue From Operations	19	133,320,133	128,078,463
Other Income	20	13,464,921	8,649,405
Total Income		146,785,055	136,727,868
Expenses			
Purchases of Stock-in-Trade	21	29,373,748	33,409,678
Changes in inventories of finished goods	22	986,725	(1,036,046)
Employee benefits expenses	23	46,481,233	45,532,352
Finance costs	24	10,406,320	6,547,166
Depreciation and amortisation expenses	25	6,434,659	7,160,394
Other expenses	26	51,646,232	44,889,751
Total expenses		145,328,917	136,503,296
Profit before tax		1,456,138	224,571
Tax expense/ (credit)	12		
(1) Current tax		903,000	1,834,000
(2) Deferred tax	6	(505,859)	(1,399,284)
(3) Short / (Excess) provision for tax of earlier years		29,548	(452,490)
Total tax expenses/(credit)		426,689	(17,774)
Profit/ (loss) for the year (A)		1,029,449	242,345
Other Comprehensive Income			
Items not to be reclassified subsequently to profit or loss			
- Remeasurement of post employment benefit obligation		906,138	(252,230)
- Income tax effect on above		(233,331)	77,939
Items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax (B)		672,807	(174,291)
Total comprehensive income/ (loss) for the year, net of tax (A+B)		1,702,256	68,054
Earnings per equity share: (in Rs)	27		
Equity shares of Par value of Rs. 10 /-each			
Basic		0.21	0.05
Diluted		0.21	0.05
Notes 1 to 36 form an integral part of the financial statements			

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

For K.M.Tulsian & Associates
Chartered Accountants
Firm Reg. No. 111075W

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

Nitesh Musahib
Partner
Mem No.: 131146

Mr. Ziaulla Sheriff
Managing Director
DIN - 00002098

Mr. Maddur Gundurao
Mohankumar
Director
DIN - 00020029

Mr. Mukhtar Ahmad
Chief Financial Officer

Nidhi Sharma
Company Secretary

Place : Mumbai
Date: 30th May,2018

Place : Bengaluru
Date: 30th May,2018

Statement of Changes in Equity for the year ended 31 March 2018

A) Equity share capital

Particulars	Number	Amount in Rs
Equity shares of Rs. 10 each issued, subscribed and paid		
Balance as at 1 April 2016	5,000,600	50,006,000
Changes in equity share capital for the year ended 31 March 2017	-	-
Balance as at the 31 March 2017	5,000,600	50,006,000
Changes in equity share capital for the year ended 31 March 2018	-	-
Balance as at the 31 March 2018	5,000,600	50,006,000

B) Other equity

(Amount in Rs)

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 2016	(28,609,468)	-	(28,609,468)
Total comprehensive income for the year	242,345	(174,291)	68,054
Balance as at 31 March 2017	(28,367,122)	(174,291)	(28,541,413)
Total comprehensive income for the year	1,029,449	672,807	1,702,256
Balance as at 31 March 2018	(27,337,673)	498,517	(26,839,157)

Notes 1 to 36 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

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

For K.M.Tulsian & Associates

Chartered Accountants
Firm Reg. No. 111075W

Nitesh Musahib

Partner
Mem No.: 131146

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

Nidhi Sharma

Company Secretary

Place : Mumbai
Date: 30th May,2018

Place : Bengaluru
Date: 30th May,2018

Cash Flow Statement for the year ended 31 March 2018

(Amount in Rs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,456,138	224,571
Adjustments for :		
Depreciation & Amortisation Expense	6,434,659	7,160,394
Finance Cost (including fair value change in financial instruments)	10,054,487	6,321,783
Interest income (including fair value change in financial instruments)	(10,322,347)	(6,404,806)
Remeasurement of defined benefit obligation	906,138	(252,230)
Provision for expected credit loss on trade receivables	1,337,118	1,295,804
Sundry Balance written off	5,074,613	1,180,608
Operating profit before working capital changes	14,940,805	9,526,124
Adjustments for changes in working capital:		
(Increase) / Decrease in Trade and Other Receivables	(15,869,237)	37,970,694
(Increase) / Decrease in Inventories	986,725	(1,036,046)
(Increase) / Decrease in Other Financial Assets	(15,291,980)	555,133
(Increase) / Decrease in Other Assets	(1,535,709)	354,769
Increase / (Decrease) in Trade and Other Payables	9,167,339	9,075,099
Increase / (Decrease) in Other Financial Liabilities	1,782,998	1,369,466
Increase / (Decrease) in Other Current Liabilities	18,242,410	11,244,630
Increase / (Decrease) in Long Term Provisions	798,046	2,202,201
Increase / (Decrease) in Short Term Provisions	140,749	162,066
Cash generated from / (used in) operations	13,362,147	71,424,135
Direct taxes paid (Net of Refunds)	828,667	76,281
Net cash flow from operating activities (A)	14,190,814	71,500,416
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	(33,909,059)	(30,828,475)
Proceeds from sale of financial instruments	10,025	(96,417)
Interest received	376,913	83,023
Net cash flow used in investing activities (B)	(33,522,120)	(30,841,869)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issues of Long term Borrowings (Net)	19,691,624	(43,603,162)
Interest paid	(109,053)	-
Net cash flow from financing activities (C)	19,582,571	(43,603,162)
Net decrease in cash and cash equivalents (A+B+C)	251,265	(2,944,615)
Cash and cash equivalents at the beginning of the year	688,234	3,632,849
Cash and cash equivalents at the end of the year	939,498	688,234
Components of cash and cash equivalents considered only for the purpose of cash flow statement		
In bank current accounts in Indian rupees	892,330	566,397
Cash on hand	47,169	121,837
	939,499	688,234

STARCOM INFORMATION TECHNOLOGY LIMITED

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. Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in the liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017 and the required disclosure is made below. There are no other impact on financial statements due to this amendment.

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities

Particulars	31-Mar-17	Cash flows	Non-cash changes	31-Mar-18
			Fair value changes	
Borrowings - Non Current	36,354,923	19,691,624	(14,039,856)	42,006,691

Notes 1 to 36 form an integral part of the financial statements

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

For K.M.Tulsian & Associates

Chartered Accountants
Firm Reg. No. 111075W

Nitesh Musahib

Partner
Mem No.: 131146

For and on behalf of the Board of Directors

Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Mr. Ziaulla Sheriff

Managing Director
DIN - 00002098

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Mohankumar
Director
DIN - 00020029

Mr. Mukhtar Ahmad

Chief Financial Officer

Nidhi Sharma

Company Secretary

Place : Mumbai

Date: 30th May,2018

Place : Bengaluru

Date: 30th May,2018

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

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, 2018 were authorised for issue in accordance with resolution of the Board of Directors on May 30, 2018.

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. Refer note 2.2 for information on how the Company adopted 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 Fixed 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.

I) 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.
- (g)** Revenue from services is recognised when the stage of completion is measured reliably. Stage of completion is measured by the 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.

xxi Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, the ministry of Corporate Affairs (the MCA) notified the Companies (Indian Accounting Standards Amendment Rules 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non monetary asset or non monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The amendment will come into force from April 1, 2018. The company has evaluated the effect of this on the financial statements and the impact is not material.

Ind As 115, Revenue from Contract with Customers : On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cashflows arising from the entity's contract with customers.

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

NOTE 2.2 : FIRST TIME ADOPTION OF IND AS

These are Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2.1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies(Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes :

A) Exemptions and exceptions availed

1) Ind-AS optional exemptions :

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

b) For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Company has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

2) Ind AS mandatory exceptions :

a) Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b) Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

c) Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively. Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

d) Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

B) Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017
- II. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017
- III. Reconciliation of Equity as at April 1, 2016 and March 31, 2017 between previous GAAP and IND AS

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

(Amount in Rs)							
Particulars	Foot notes	As at 31-Mar-17 (Previous GAAP)	IND AS Adjustments	As at 31-Mar-17 (IND AS)	As at 01-Apr-16 (Previous GAAP)	IND AS Adjustments	As at 01-Apr-16 (IND AS)
ASSETS							
A) Non-current assets							
Property, Plant and Equipment		5,760,220	-	5,760,220	11,405,672	-	11,405,672
Intangible Assets		31,161,635	-	31,161,635	-	-	-
Intangible Assets Under Development		124,684,468	-	124,684,468	126,532,570	-	126,532,570
Financial Assets							
Others Financial Assets	1	5,726,790	(53,852)	5,672,938	5,382,090	(395,744)	4,986,346
Deferred Tax Assets (Net)	2	7,798,415	421,701	8,220,116	6,721,595	21,297	6,742,892
Other Non - current assets	1	-	44,873	44,873	292,261	-	292,261
Total Non - current assets		175,131,528	412,722	175,544,250	150,334,188	(374,447)	149,959,741
B) Current assets							
Inventories		2,343,155	-	2,343,155	1,307,109	-	1,307,109
Financial Assets							
Trade receivables	3	86,446,114	(1,364,727)	85,081,387	125,597,416	(68,923)	125,528,493
Cash and cash equivalents		688,234	-	688,234	3,632,849	-	3,632,849
Other Bank Balances		195,825	-	195,825	99,408	-	99,408
Others Financial Assets		1,895,598	-	1,895,598	1,461,868	-	1,461,868
Income Tax Assets (net)		783,785	-	783,785	2,241,576	-	2,241,576
Other current assets		1,458,411	-	1,458,411	2,893,254	347,994	3,241,248
Total Current Assets		93,811,122	(1,364,727)	92,446,395	137,233,480	279,070	137,512,550
Total Assets		268,942,650	(952,005)	267,990,645	287,567,668	(95,377)	287,472,291
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		50,006,000	-	50,006,000	50,006,000	-	50,006,000
Other Equity		(27,589,408)	(952,005)	(28,541,413)	(28,514,091)	(95,377)	(28,609,468)
Total Equity		22,416,592	(952,005)	21,464,587	21,491,909	(95,377)	21,396,532
LIABILITIES							
A) Non-current liabilities							
Financial Liabilities							
Borrowings	4	126,666,107	(90,311,184)	36,354,923	170,269,269	-	170,269,269
Other financial liabilities		-	-	-	17,345	-	17,345
Provisions		5,043,411	-	5,043,411	2,841,210	-	2,841,210
Total Non - Current Liabilities		131,709,518	(90,311,184)	41,398,334	173,127,824	-	173,127,824
B) Current liabilities							
Financial Liabilities							
Trade payables							
- Due to micro and small enterprises		1,777,650	-	1,777,650	1,233,375	-	1,233,375
- Due to Others		69,211,093	-	69,211,093	60,680,269	-	60,680,269
Other financial liabilities		37,364,493	-	37,364,493	4,058,986	-	4,058,986
Provisions		365,306	-	365,306	203,240	-	203,240
Other Current Liabilities	4	6,097,998	90,311,184	96,409,182	26,772,066	-	26,772,066
Total Current Liabilities		114,816,540	90,311,184	205,127,724	92,947,935	-	92,947,935
Total Equity and Liabilities		268,942,650	(952,005)	267,990,645	287,567,668	(95,377)	287,472,291

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II. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(Amount in Rs)

Particulars	Footnotes	For the period ended March 31,2017		
		(Previous GAAP)	Adjustment	(IND AS)
Income				
Revenue From Operations		128,078,463	-	128,078,463
Other Income	1 & 4	1,985,730	6,663,675	8,649,405
Total Income		130,064,193	6,663,675	136,727,868
Expenses				
Purchases of Stock-in-Trade		33,409,678	-	33,409,678
Changes in inventories of finished goods		(1,036,046)	-	(1,036,046)
Employee benefits expenses	6	45,784,582	(252,230)	45,532,352
Finance costs	4	225,383	6,321,783	6,547,166
Depreciation and amortisation expenses		7,160,394	-	7,160,394
Other expenses	1 & 3	43,290,827	1,598,924	44,889,751
Total expenses		128,834,819	7,668,477	136,503,296
Profit/ (loss) for the year (A)		1,229,374	(1,004,802)	224,571
Tax expense/ (credit)				
(1) Current tax		1,834,000	-	1,834,000
(2) Short / (Excess) provision for tax of earlier years		(452,490)	-	(452,490)
(3) Deferred tax	2	(1,076,820)	(322,464)	(1,399,284)
Total tax expenses/(credit)		304,690	(322,464)	(17,774)
Profit/ (loss) for the year (A)		924,683	(682,338)	242,344
Other Comprehensive Income				
Items not to be reclassified subsequently to profit or loss				
- Remeasurement of post employment benefit obligation	6	-	(252,230)	(252,230)
- Income tax effect on above	2	-	77,939	77,939
Other comprehensive income for the year, net of tax (B)		-	(174,291)	(174,291)
Total comprehensive income/ (loss) for the year, net of tax (A+B)		924,683	(856,628)	68,054

III. Reconciliation of Equity as at April 1, 2016 and March 31, 2017 between previous GAAP and IND AS

(Amount in Rs)

	Footnotes	As at 31-Mar-17	As at 1-Apr-16
Equity as per Previous GAAP		22,416,592	21,491,909
Add/(Less) :			
Net impact on Fair valuation of security deposits	1	(8,978)	(47,750)
Deferred Tax impact of above adjustments	2	421,701	21,297
Recognition of Expected Credit Loss (ECL).	3	(1,364,727)	(68,923)
Equity as per IND AS		21,464,587	21,396,532

Footnotes to the reconciliation of equity as at April 1, 2016 & March 31, 2017 and Statement of profit and loss for the year ended March 31, 2017

1) Financial Assets

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent.

2) Deferred Tax (Including MAT Credit)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in other equity or a separate component of equity.

Under Previous GAAP, MAT credit was disclosed under non-current assets. In accordance with Ind AS 12, deferred tax asset shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax asset.

3) Trade Receivables

Under Indian GAAP, the Company has created provision for impairment of receivables which consists only in respect of specific amount for probable losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model.

4) Interest Free Loan

In the financial statements prepared under Previous GAAP, the carrying value of Interest free loan was recognised at the principal amounts payable by the borrower. Under Ind AS, Interest free borrowing being a financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as deferred income disclosed under Other liabilities.

5) Other Comprehensive Income

Under Indian GAAP, the company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

6) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through OCI.

7) Statement of Cash Flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

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Note 3 : Property, Plant and Equipment

(Amount in Rs)

Particulars	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Computers	Total
Gross carrying value					
Balance as at 1 April 2016 (Refer Note (i))	5,295,502	1,794,961	1,327,949	2,987,260	11,405,672
Additions	-	-	15,850	496,823	512,673
Balance as at 31 March 2017	5,295,502	1,794,961	1,343,799	3,484,083	11,918,345
Additions	-	-	-	123,900	123,900
Balance as at 31 March 2018	5,295,502	1,794,961	1,343,799	3,607,983	12,042,245
Accumulated depreciation					
Balance as at 1 April 2016 (Refer Note (i))	-	-	-	-	-
Depreciation charge	3,757,142	421,161	548,473	1,431,349	6,158,125
Balance as at 31 March 2017	3,757,142	421,161	548,473	1,431,349	6,158,125
Depreciation charge	1,538,360	309,403	198,741	928,557	2,975,061
Balance as at 31 March 2018	5,295,502	730,563	747,214	2,359,906	9,133,186
Net carrying value					
Balance as at 1 April 2016	5,295,502	1,794,961	1,327,949	2,987,260	11,405,672
Balance as at 31 March 2017	1,538,360	1,373,801	795,326	2,052,734	5,760,220
Balance as at 31 March 2018	(0)	1,064,398	596,584	1,248,077	2,909,059

Note (i) :

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

Particulars	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Computers	Total
Gross Block as at 1 April 2016	18,209,079	4,155,686	5,590,386	6,731,145	34,686,296
Accumulated depreciation as at 1 April 2016	12,913,576	2,360,725	4,262,438	3,743,885	23,280,624
Net Block as at 1 April 2016	5,295,502	1,794,961	1,327,949	2,987,260	11,405,672

Note 4 : Intangible Assets & Intangible Assets Under Development

(Amount in Rs)

Particulars	Software Modules	Intangible Asset Under Development
Gross carrying value		
Balance as at 1 April 2016	-	126,532,570
Additions	32,163,904	30,315,802
Disposals	-	32,163,904
Balance as at 31 March 2017	32,163,904	124,684,468
Additions	8,449,441	33,785,159
Disposals	-	8,449,441
Balance as at 31 March 2018	40,613,345	150,020,186
Accumulated amortisation		
Balance as at 1 April 2016	-	-
Amortisation charge	1,002,269	-
Balance as at 31 March 2017	1,002,269	-
Amortisation charge	3,459,598	-
Balance as at 31 March 2018	4,461,867	-
Net carrying value		
Balance as at 1 April 2016	-	126,532,570
Balance as at 31 March 2017	31,161,635	124,684,468
Balance as at 31 March 2018	36,151,478	150,020,186

Note 5 : Others Financial Assets
(Unsecured)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Deposits	4,178,248	5,373,788	4,986,346
Fixed Deposit Accounts Maturity More than 12 Months *	315,350	299,150	-
Total non-current financial assets	4,493,598	5,672,938	4,986,346
Current			
Deposits	1,346,813	1,844,446	1,438,063
Interest accrued on Deposits	100,106	51,152	23,805
Unbilled Revenue	16,920,000	-	1,675,456
Total Current financial assets	18,366,919	1,895,598	3,137,324
Total Others Financial Assets	22,860,517	7,568,537	8,123,670
* Fixed Deposit are pledged against Bank Guarantee			

Note 6 : Deferred Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
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	1,214,220	2,714,843	2,722,346
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	6,582,699	5,083,572	940,735
Provision for doubtful financial assets	695,725	421,701	21,297
Others (Unabsorbed Depreciation)	-	-	1,198,514
MAT Credit Entitlement	-	-	1,860,000
Total Deferred Tax Assets (net)	8,492,644	8,220,116	6,742,893

Particulars	Property, Plant and Equipment	Provision for expected credit loss on trade receivables	Accrual for expenses allowable on payment	MAT Credit Entitlement	Total
At April 1, 2016	3,920,860	21,297	940,735	1,860,000	6,742,893
(Charged) / credited					
- to Statement of Profit and Loss	(1,206,017)	400,403	4,064,897	(1,860,000)	1,399,284
- to other comprehensive income	-	-	77,939	-	77,939
At March 31, 2017	2,714,843	421,701	5,083,572	-	8,220,116
(Charged) / credited					
- to Statement of Profit and Loss	(1,500,623)	274,024	1,732,458	-	505,859
- to other comprehensive income	-	-	(233,331)	-	(233,331)
At March 31, 2018	1,214,220	695,725	6,582,699	-	8,492,644

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Note 7 : Other Assets

(Unsecured)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Deferred rent on amortisation of financial asset	911,600	44,873	-
Balances with government authorities	-	-	292,261
Total other non-current assets	911,600	44,873	292,261
Current			
Advances recoverable other than in cash	1,244,306	1,374,398	650,653
Prepaid expenses	883,087	84,013	915,139
Total other current assets	2,127,393	1,458,411	1,565,792
Total Other Assets	3,038,993	1,503,284	1,858,053

Note 8 : Inventories

(Valued at lower of cost or Net Realisable Value)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Stock in Trade	1,356,430	2,343,155	1,307,109
Total Inventories	1,356,430	2,343,155	1,307,109

Note 9 : Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good	97,240,737	86,446,114	125,597,416
Less : Allowance for credit losses	(2,701,845)	(1,364,727)	(68,923)
Total Trade receivables	94,538,892	85,081,387	125,528,492

Note 10 : Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks			
- Current accounts in Indian rupees	892,330	566,397	3,585,834
Cash on hand	47,169	121,837	47,015
Total Cash & Cash Equivalents	939,499	688,234	3,632,849

Note 11 : Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	185,800	195,825	99,408
Total Bank Balances other than Cash and cash equivalents	185,800	195,825	99,408

Note 12 : Income Tax Expense

(a) Amounts recognised in Statement of Profit and Loss

(Amount in Rs)

Particulars	2017-18	2016-17
Current tax expense (A)		
Current year (including MAT Credit Entitlement)	903,000	1,834,000
Short/(Excess) provision of earlier years	29,548	(452,490)
	932,548	1,381,510
Deferred tax expense (B)		
Origination and reversal of temporary differences	(505,859)	(1,399,284)
Tax expense recognised in the income statement (A+B)	426,689	(17,774)

(b) Amounts recognised in other comprehensive income

Particulars	2017-18			2016-17		
	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	906,138	(233,331)	672,807	(252,230)	77,939	(174,291)
	906,138	(233,331)	672,807	(252,230)	77,939	(174,291)

(c) Reconciliation of effective tax rate

Particulars	2017-18	2016-17
Profit before tax	1,456,138	224,571
Tax using the Company's domestic tax rate (Current year 25.75% and Previous Year 34.608%)	374,955	77,720
Tax effect of :		
Tax effect on non-deductible expenses	22,186	356,996
Adjustments recognised in current year in relation to the current tax of prior years	29,548	(452,490)
Tax expense as per Statement of Profit & Loss	426,689	(17,774)
Effective tax rate	29.303%	-7.915%

(d) Income Tax Asset (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Tax	-	1,927,885	3,111,064
Less: Provision For Tax of Current Year	-	(1,144,100)	(869,488)
Total Income Tax Assets (Net)		783,785	2,241,576

(e) Income Tax Liability (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax	988,889	-	-
Less: Advance Tax	(11,459)	-	-
Total Income Tax Liability (Net)	977,430	-	-

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Note 13 : Equity Share Capital

(Amount in Rs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
55,00,000 Equity Shares of Rs 10 each	55,000,000	55,000,000	55,000,000
Total	55,000,000	55,000,000	55,000,000
Issued, Subscribed and Fully Paid Up			
50,00,600 Equity Shares of Rs 10 each fully paid up	50,006,000	50,006,000	50,006,000
Total	50,006,000	50,006,000	50,006,000

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, 2018		As on March 31, 2017		As on April 01, 2016	
	Number	Rs	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	5,000,600	50,006,000	5,000,600	50,006,000	5,000,600	50,006,000
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	5,000,600	50,006,000	5,000,600	50,006,000	5,000,600	50,006,000

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

Name of the Shareholder	Equity Shares					
	As on March 31, 2018		As on March 31, 2017		As on April 01, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ziaulla Sheriff	3,750,450	75.00%	3,836,857	76.73%	3,836,857	76.73%

Note 14 : Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan from a Director (Unsecured) *	42,006,691	36,354,923	170,269,269
Total Borrowings	42,006,691	36,354,923	170,269,269

* - The said loan is interest free and repayable after 31st March, 2019.

Note 15 : Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Unbilled Lease Rentals	-	-	17,345
Total other non-current financial liabilities	-	-	17,345
Current			
Outstanding Expenses Payable	7,228,795	5,445,796	4,052,026
Unbilled Lease rentals	-	-	6,960
Total other current financial liabilities	7,228,795	5,445,796	4,058,986
Total Other Financial Liabilities	7,228,795	5,445,796	4,076,331

Note 16 : Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<u>Non-current</u>			
Provision for employee benefits (Refer note 30)			
- Gratuity	3,471,974	2,818,234	1,240,145
- Leave entitlement and compensated absences	2,369,483	2,225,177	1,601,065
Total non-current provisions	5,841,457	5,043,411	2,841,210
<u>Current</u>			
Provision for employee benefits (Refer note 30)			
- Gratuity	25,120	10,354	3,694
- Leave entitlement and compensated absences	480,935	354,952	199,546
Total current provisions	506,055	365,306	203,240
Total Provisions	6,347,512	5,408,717	3,044,450

Note 17 : Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note below)	941,190	1,777,650	1,233,375
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	79,214,892	69,211,093	60,680,269
Total Trade Payables	80,156,082	70,988,743	61,913,644

The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 March 2018.

The disclosure pursuant to the said Act is as under:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Principal amount due to suppliers under MSMED Act	941,190	1,777,650	1,233,375
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.

Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

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Note 18 : Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues Payable	50,676,806	31,918,697	22,003,970
Annual Maintenance Contract (AMC) received in advance	5,540,392	6,058,672	4,768,095
Advance from Customers	41,908	39,326	-
Unamortised portion of Borrowings	104,351,039	90,311,184	-
Total Other Current Liabilities	160,610,145	128,327,879	26,772,066

Note 19 : Revenue From Operations

(Amount in Rs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of products	124,186,801	103,840,244
Rendering of Services	9,133,332	24,238,219
Total Revenue from Operations	133,320,133	128,078,463

Note 20 : Other Income

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income		
- on unwinding of loans taken from related parties	9,945,434	6,321,783
- on margin money deposit & others	376,913	83,023
- on unwinding of security deposit	277,434	341,892
Interest on Income Tax Refund	332,203	-
Liabilities no Longer Payable written back	2,328,919	1,902,707
Other Income	204,018	-
Total Other Income	13,464,921	8,649,405

Note 21 : Purchases of Stock-in-Trade

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Purchases of Stock in trade	29,373,748	33,409,678
	29,373,748	33,409,678

Details of traded goods purchases:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Test, Measurement & Embedded Solutions for Educational Sector	29,373,748	33,409,678
	29,373,748	33,409,678

Note 22 : Changes in inventories of finished goods

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening Balance		
Stock in Trade	2,343,155	1,307,109
Closing Balance		
Stock in Trade	1,356,430	2,343,155
Total Changes in inventories of finished goods	986,725	(1,036,046)

Note 23 : Employee benefits expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and Bonus	42,475,766	41,099,869
Contribution to Provident Fund and Others welfare fund	1,669,417	1,626,306
Gratuity (Refer Note No.30)	1,574,644	1,332,519
Leave Encashment (Refer Note No.30)	374,045	982,426
Staff Welfare Expenses	387,361	491,233
Total Employee Benefit Expense	46,481,233	45,532,352

Note 24 : Finance costs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Expense		
- on unwinding of loans taken from related parties	9,945,434	6,321,783
- others	109,053	-
Bank Charges	351,833	225,383
Total Finance Costs	10,406,320	6,547,166

Note 25 : Depreciation and amortisation expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Property, Plant and Equipment	2,975,061	6,158,125
Amortisation of Intangible Assets	3,459,598	1,002,269
Total Depreciation and amortisation expenses	6,434,659	7,160,394

Note 26 : Other expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Rent Expenses	12,879,151	12,730,648
Software Maintenance Charges	849,791	1,456,957
Repair & Maintenance - Others	1,313,081	2,039,196
Travelling & Conveyance	10,240,726	9,481,125
Advertisement and Business Promotion Expenses	522,780	1,597,856
Electricity Expenses	1,379,287	1,254,286
Security Expenses	391,292	416,473
House Keeping Expenses	455,995	532,961
Communication Costs	1,535,486	947,676
Printing & Stationery	349,914	395,150
Legal & Professional Charges	4,309,216	4,592,844
Auditor's Remuneration	1,500,000	1,543,000
Loss on Foreign Exchange Fluctuations (net)	283,602	950,516
Interest on Delayed Statutory Payments	8,608,488	4,324,251
Sundry Balance Written Off	5,074,613	1,180,608
Provision for expected credit loss on trade receivables	1,337,118	1,295,804
Membership & Subscriptions	110,159	-
Miscellaneous Expenses	505,533	150,399
Total	51,646,232	44,889,751

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Details of Payment to Auditors

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
For Audit Fees	1,200,000	1,200,000
For Tax Audit	285,000	285,000
For Other Services	15,000	58,000
Total Payment to Auditors	1,500,000	1,543,000

Note 27 : Earnings per equity share: (in Rs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Weighted average number of Equity Shares of Rs.10 each	5,000,600	5,000,600
Number of shares at the beginning	5,000,600	5,000,600
Number of shares at the end of the period	5,000,600	5,000,600
Weighted average number of shares outstanding during the period	5,000,600	5,000,600
Weighted average number of Potential Equity shares outstanding during the year	5,000,600	5,000,600
Total number of Potential Equity Share for calculating Diluted Earning Per share	5,000,600	5,000,600
Net Profit \ (Loss) after tax available for equity shareholders	1,029,449	242,345
Basic Earning per share (in Rs.)	0.21	0.05
Diluted Earning per share (in Rs.)	0.21	0.05

Note 28 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" are given below:

(Amount in Rs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I) Claims not acknowledged as Debts :			
i) Disputed liability in respect of Provident Fund	2,684,662	2,684,662	2,684,662
ii) Disputed liability in respect of penal damages against non payment of provident fund	1,250,183	1,250,183	-
iii) Disputed Liability related to SEBI Matters	Not Ascertainable	-	-
II) Guarantees			
Bank Guarantee	501,150	494,975	99,408

Note 29 : Operating leases disclosures as required under Indian Accounting Standard 17, "Leases":

The Company has taken premises on operating lease and entered in to non-cancellable Leave and License Agreements with various parties. An amount of Rs 1,28,79,151 (31 March 2017 : Rs 1,27,30,648) is recognised as lease expense in the Statement of Profit and Loss for the period ended 31th March, 2018

Future minimum lease payments payable under non-cancellable operating leases in aggregate for the following periods:

(Amount in Rs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017	Year Ended 01 April 2016
- Less than one year	11,992,200	2,182,125	26,620,200
- Later than one year but not later than five years	37,975,300	-	4,724,912
- Later than five years	-	-	-
	49,967,500	2,182,125	31,345,112

Initial direct costs incurred on these leasing transactions have been recognised in the Statement of Profit and Loss.

Note 30 : Post Employment Benefit Plans

(Amount in Rs)

Defined Contribution Plans

Amount recognised in the Statement of Profit and Loss	2017-18	2016-17
Contribution to Provident fund and others	1,669,417	1,626,306

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

a) Reconciliation of balances of Defined Benefit Obligations.	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Defined Obligations at the beginning of the year	2,828,588	1,243,839	2,580,130	1,800,612
Current Service Cost	1,358,701.00	1,240,973	1,037,497	923,862
Interest Cost	210,730.00	91,547	188,355	125,058
Past service cost	5,213.00	-	-	-
Benefits paid	-	-	(103,756)	(202,908)
Actuarial (Gains)/ Losses on obligations				
-Changes in Demographic Assumptions	(850,322)	256,068	(190,509)	78,529
-Changes in financial Assumptions	(21,585)	138,184	(9,465)	88,660
-Experience adjustments	(34,231)	(142,023)	(651,834)	(233,683)
Defined benefit obligations at the end of the year	3,497,094	2,828,588	2,850,418	2,580,130
Changes in Fair Value of Plan Assets	-	-	-	-
Net (Asset) / Liability recognised in the balance sheet	3,497,094	2,828,588	2,850,418	2,580,130

b) Amount recognised in Statement of Profit and Loss	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Current Service Cost	1,358,701	1,240,973	1,037,497	923,862
Past Service Cost and loss / (gain) on curtailments and settlement	5,213	-	-	-
Interest Cost	210,730	91,547	188,355	125,058
Actuarial (Gains)/ Losses on obligations	-	-	(851,808)	(66,494)
Expenses for the year	1,574,644	1,332,520	374,044	982,426

c) Amount recognised in Other Comprehensive Income - Remeasurements :	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Actuarial (Gains)/ Losses				
-Changes in Demographic Assumptions	(850,322)	256,068	(190,509)	78,529
-Changes in financial Assumptions	(21,585)	138,184	(9,465)	88,660
-Experience adjustments	(34,231)	(142,023)	(651,834)	(233,683)
Return on plan assets excluding net interest cost	-	-	-	-
Total	(906,138)	252,229	(851,808)	(66,494)

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d) Major Actuarial Assumptions	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Discount Rate (%)	7.45%	7.36%	7.45%	7.36%
Salary Escalation/ Inflation (%) *	10.00%	10.00%	10.00%	10.00%
Attrition rates	7.50%	15.00%	15.00%	7.50%

* 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 benefit obligation would be affected, considering increase/decrease as at 31.03.2018 and 31.03.2017 is as below:

Particulars	Gratuity - Unfunded		Leave Encashment
	2017-18	2016-17	2017-18
	Change in Defined Benefit Obligation	Change in Defined Benefit Obligation	Change in Defined Benefit Obligation
Discounting rate			
+100 basis points	-6.47%	-10.63%	-5.05%
-100 basis points	7.21%	12.50%	5.61%
Salary growth rate			
+100 basis points	6.38%	11.37%	2.72%
-100 basis points	-5.87%	-9.98%	-2.64%
Attrition rate			
+100 basis points	-2.41%	-4.29%	-0.74%
-100 basis points	2.54%	4.70%	0.82%
Mortality Rate 10% UP	0.01%	-0.05%	0.00%

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 2018 were as follows:

Particulars	Gratuity - Unfunded	Leave Encashment
Projected benefits payable in future years from the date of reporting		
1st following year	25,120	480,935
2nd following year	22,631	309,633
3rd following year	20,427	269,120
4th following year	18,466	233,871
5th following year	16,714	203,200
Years 6 to 10	314,120	791,009

Other details as at 31.03.2018

Particulars	Gratuity - Unfunded	Leave Encashment
Estimated Term of the Projected Benefit Obligation (in years)	6.02	6.02
Prescribed contribution for next year	25,120	480,935

Current/ non-current classification :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gratuity			
Current	25,120	10,354	3,694
Non-current	3,471,974	2,818,234	1,240,145
	3,497,094	2,828,588	1,243,839
Leave encashment			
Current	480,935	354,952	199,546
Non-current	2,369,483	2,225,177	1,601,065
	2,850,418	2,580,129	1,800,611

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	Managing Director
2) Mr. Mukhtar Ahmad (from 31st March 2017)	Chief Financial officer
3) Miss. Preeti Verma (upto 12th August ,2016)	Company Secretary
4) Mrs. Nidhi Sharma (from 19th August 2016)	Company Secretary
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

(Amount in Rs)

Particulars	As at March 31, 2018	As at March 31, 2017
1) Salary to Key Managerial personnel		
Mrs. Nidhi Sharma	404,565	246,160
Miss. Preeti Verma	-	149,755
2) Mr. Ziaulla Sheriff		
Loan taken from Director	138,691,624	40,404,598
Loan repaid to Director	119,000,000	84,007,760

c) Closing Outstanding Balances of Related Parties

Name of Entities	Nature	Relationship	March 31, 2018	March 31, 2017
Mr. Ziaulla Sheriff	Rent Payable	Managing Director	25,835,989	25,835,989
Mr. Ziaulla Sheriff	Loans Payable	Managing Director	146,357,731	126,666,107
Mrs. Nidhi Sharma	Salary Payable	Company Secretary	39,867	29,533

1. Related Parties as disclosed by Management and relied upon by auditors.

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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.

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A. Segment Revenue		
1. Test, Measurement & Embedded Solutions for Educational Sector	38,521,672	41,575,968
2. Data Quality, Statistical & Analytics Softwares	94,798,462	86,502,495
Total Revenue	133,320,133	128,078,463
B. Segment Results		
1. Test, Measurement & Embedded Solutions for Educational Sector	8,161,199	10,043,341
2. Data Quality, Statistical & Analytics Softwares	58,636,971	57,194,492
Total	66,798,170	67,237,832
i) Finance charges	10,406,320	6,547,166
ii) Unallocable Expenditure net off income	68,400,637	69,115,499
iii) Other Income	13,464,921	8,649,405
Total Profit Before Tax	1,456,134	224,572
Less: Tax Expenses	426,689	(17,774)
Total Profit After Tax	1,029,445	242,346
C. Segments Assets		
1. Test, Measurement & Embedded Solutions for Educational Sector	25,027,031	26,454,424
2. Data Quality, Statistical & Analytics Softwares	261,589,763	220,520,369
3. Unallocated	33,876,701	22,159,953
Total	320,493,495	269,134,746
D. Segment Liabilities		
1. Test, Measurement & Embedded Solutions for Educational Sector	14,662,080	15,963,045
2. Data Quality, Statistical & Analytics Softwares	5,798,030	8,747,557
3. Unallocated	276,866,546	222,959,555
Total	297,326,655	247,670,158
E. Non Cash Expenditures		
<u>Depreciation & Amortisations</u>		
1. Test, Measurement & Embedded Solutions for Educational Sector	-	-
2. Data Quality, Statistical & Analytics Softwares	3,459,598	1,002,269
3. Unallocated	2,975,061	6,158,125
Total	6,434,659	7,160,394

Information about major customers

Transactions with single external customer which amounts to 10% or more of the Company's revenue during the year amounted to Rs. 2,16,10,509(Previous year : Nil)

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.

(Amount in Rs)

Financial Asset & Liabilities as at 31st March 2018	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	9		94,538,892	94,538,892			-	-					94,538,892	94,538,892
Others financial assets	5	4,493,598	18,366,919	22,860,517			-	-					22,860,517	22,860,517
Cash and cash equivalents	10		939,499	939,499			-	-					939,499	939,499
Other bank balances	11		185,800	185,800			-	-					185,800	185,800
Total Financial Assets		4,493,598	114,031,110	118,524,708			-	-					118,524,708	118,524,708
Financial Liabilities:														
Borrowings	14	42,006,691		42,006,691			-	-					42,006,691	42,006,691
Trade payables	17		80,156,082	80,156,082			-	-					-	-
Other financial liabilities	15		57,905,601	57,905,601			-	-					7,228,795	7,228,795
Total Financial Liabilities		42,006,691	138,061,683	180,068,374			-	-					49,235,486	49,235,486

Financial Asset & Liabilities as at 31st March 2017	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	9		85,081,387	85,081,387			-	-					85,081,387	85,081,387
Others financial assets	5	5,672,938	1,895,598	7,568,537			-	-					7,568,537	7,568,537
Cash and cash equivalents	10		688,234	688,234			-	-					688,234	688,234
Other bank balances	11		195,825	195,825			-	-					195,825	195,825
Total Financial Assets		5,672,938	87,861,045	93,533,983			-	-					93,533,983	93,533,983
Financial Liabilities:														
Borrowings	14		36,354,923	36,354,923			-	-					36,354,923	36,354,923
Trade payables	17		70,988,743	70,988,743			-	-					70,988,743	70,988,743
Other financial liabilities	15		37,364,494	37,364,494			-	-					37,364,494	37,364,494
Total Financial Liabilities		-	144,708,160	144,708,160			-	-					144,708,160	144,708,160

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Financial Asset & Liabilities as at 1st April 2016	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	9		125,528,492	125,528,492			-	-					125,528,492	125,528,492
Others financial assets	5	4,986,346	3,137,324	8,123,670			-	-					8,123,670	8,123,670
Cash and cash equivalents	10		3,632,849	3,632,849			-	-					3,632,849	3,632,849
Other bank balances	11		99,408	99,408			-	-					99,408	99,408
Total Financial Assets		4,986,346	132,398,073	137,384,419			-	-					137,384,419	137,384,419
Financial Liabilities:														
Borrowings	15	170,269,269		170,269,269			-	-					170,269,269	170,269,269
Trade payables	18		61,913,644	61,913,644			-	-					61,913,644	61,913,644
Other financial liabilities	16	17,345	26,062,956	26,080,301			-	-					26,080,301	26,080,301
Total Financial Liabilities		170,286,614	87,976,600	258,263,214			-	-					258,263,214	258,263,214

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 : (Amount in Rs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0 - 6 months	44,300,509	59,579,870	58,471,055
Beyond 6 months	52,940,229	26,866,244	67,126,360
Total	97,240,738	86,446,114	125,597,415

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 31-03-2018	As at 31-03-2017	As at 01-04-2016
Opening provision	1,364,727	68,923	-
Add : Additional provision made	1,337,118	1,295,804	68,923
Less : Provision reversed			
Closing provisions	2,701,845	1,364,727	68,923

(b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances of Rs. 11,25,299 at 31st March 2018 (31st March 2017: Rs. 8,84,059, 1st April 2016 : Rs. 37,32,257). 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.

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

(Amount in Rs)

31st March 2018	Upto 1 year	1-5 years	More than 5 years	Total
Non current borrowings		42,006,691		42,006,691
Trade and other payables	80,156,081			80,156,081
Other Financial Liabilities	7,228,795		-	7,228,795

31st March 2017	Upto 1 year	1-5 years	More than 5 years	Total
Non current borrowings		36,354,923		36,354,923
Trade and other payables	70,988,743	-		70,988,743
Other Financial Liabilities	5,445,796			5,445,796

1st April 2016	Upto 1 year	1-5 years	More than 5 years	Total
Non current borrowings		170,269,269		170,269,269
Trade and other payables	61,913,644	-		61,913,644
Other Financial Liabilities	4,058,986	17,345	-	4,076,331

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.

STARCOM INFORMATION TECHNOLOGY LIMITED

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

31st March, 2018	Exposure in USD		Exposure in EURO	
	Amount in INR	Amount in USD	Amount in INR	Amount in EURO
Financial assets				
Trade receivables	21,994,355	338,167		
Net exposure for assets	21,994,355	338,167	-	
Financial liabilities				
Trade and other payables	374,955	10,632	691,502	20,378
Net exposure for liabilities	374,955	10,632	691,502	20,378
Net exposure (Assets - Liabilities)	21,619,400	327,535	(691,502)	(20,378)

31st March, 2017	Exposure in USD		Exposure in EURO	
	Amount in INR	Amount in USD	Amount in INR	Amount in EURO
Financial assets				
Trade receivables	21,088,671	325,292		
Net exposure for assets	21,088,671	325,292	-	-
Financial liabilities				
Trade and other payables				
Net exposure for liabilities	-	-	-	-
Net exposure (Assets - Liabilities)	21,088,671	325,292	-	-

1st April 2016	Exposure in USD		Exposure in EURO	
	Amount in INR	Amount in USD	Amount in INR	Amount in EURO
Financial assets				
Trade receivables	34,737,694	523,710	30,433,461	405,293
Net exposure for assets	34,737,694	523,710	30,433,461	405,293
Financial liabilities				
Trade and other payables	1,077,400	16,243		
Net exposure for liabilities	1,077,400	16,243	-	-
Net exposure (Assets - Liabilities)	33,660,294	507,467	30,433,461	405,293

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.

Impact of movement on Profit or (loss) and Equity :

(Amount in Rs)

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
For the year ended 31st March, 2018		
1% movement		
USD	214,053	(214,053)
EURO	(6,847)	6,847
Total	207,207	(207,207)

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
For the year ended 31st March, 2017		
1% movement		
USD	316,675	(316,675)
EURO	-	-
Total	316,675	(316,675)

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. Company has interest free borrowings thus Company does not foresee and interest rate risk.

Note 35 : 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.

(Amount in Rs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total debts	42,006,691	36,354,923	170,269,269
Total equity	23,166,843	21,464,587	21,396,532
Total debts to equity ratio (Gearing ratio)	0.64	0.63	0.89

Note 36 : Prior year comparatives

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

Notes 1 to 36 form an integral part of the financial statements

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

For K.M.Tulsian & Associates

Chartered Accountants
Firm Reg. No. 111075W

Nitesh Musahib

Partner
Mem No.: 131146

Place : Mumbai
Date: 30th May,2018

For and on behalf of the Board of Directors

Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Mr. Ziaulla Sheriff

Managing Director
DIN - 00002098

Mr. Mukhtar Ahmad

Chief Financial Officer

Place : Bengaluru
Date: 30th May,2018

Mr. Maddur Gundurao

Mohankumar
Director
DIN - 00020029

Nidhi Sharma

Company Secretary



STARCOM INFORMATION TECHNOLOGY LIMITED
Registered Office: 73/1, Sheriff Centre, 5th Floor, St. Marks Road, Bangalore-560001
 Website: www.starcominfotech.com, Email: info@starcominfotech.com
 Phone: +91 80 2227 8283/ 2227 1797, Fax: +91 80 2227 8131/32
 CIN: L67120KA1995PLC078846

ATTENDANCE SLIP

23rd Annual General Meeting on Friday, 28th September 2018 at 11.30 a.m. at No 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore 560008.

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

DP ID – Client ID/ Folio No. :	
Name the registered Address of Sole Member and e-mail id:	
Name of Joint Holder(s), If any (In Block Letters):	
Name of the proxy:	
No. of shares held :	

I certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my presence at the 23rd Annual General Meeting of the Company on Monday, Friday, 28th September 2018 at 11.30 a.m. at No 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore 560008.

.....
 Signature of member/Authorized Representative/proxy holder(s)

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L67120KA1995PLC078846
 Name of the Company : Starcom Information Technology Limited
 Registered office : 73/1, Sheriff Centre, 5th Floor, St. Marks Road, Bangalore-560001

23rd Annual General Meeting – Friday, 28th September 2018

Name of the member (s):
Registered Address:
E-mail Id:
Folio no. /Client ID:
DP ID:

I/We being a Member(s) of _____ shares of the above named company, hereby appoint

1. Name:
 Address:.....

 Email Id:
 Signature:....., or failing him/her
2. Name:
 Address:.....

 Email Id:
 Signature:....., or failing him/her
3. Name:
 Address:.....

 Email Id:
 Signature:....., or failing him/her

as my/our proxy to attend and vote for me/us and on my/our behalf at the **Twenty Third Annual General Meeting** of the Company to be held on Friday, 28th September 2018 at No 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore 560008 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res.No.	Description	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statement comprising of the Balance Sheet as at March 31, 2018 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes, Reports of the Board of Directors (the Board) and the Auditors thereon.		
2.	To appoint a Director in place of Ms. Sayeeda Hina Ahmed (DIN: 03642269), who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Ratification of Appointment of Statutory Auditors		
	Special Business (Ordinary Resolution)		
4.	Continuation of Directorship of Mr. Mohd. Yousuf Khan (DIN: 00751929), as non executive Director of Company		

Signed this _____ day of _____ 20__

Signature of Shareholder

Signature of Proxy holder(s)

Signature of Proxy holder(s)

Signature of Proxy holder(s)

Affix Re. 1/- Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Courier

If undelivered, please return to,

STARCOM INFORMATION TECHNOLOGY LIMITED

#73, Sheriff Centre, St. Marks' Rd,
Bangalore 560001