

# Starcom Information Technology Limited

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

CIN: L67120KA1995PLC078846, Phone: 91 80 2227 8283/ 2227 1797

E-mail id: [info@starcominfotech.com](mailto:info@starcominfotech.com) Website: [www.starcominfotech.com](http://www.starcominfotech.com)

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13<sup>th</sup> August 2021

To,  
The Deputy Manager  
Corporate Relations Department,  
**BSE Limited**  
P. J. Towers, Dalal Street,  
Mumbai - 400001

**Sub:** Submission of Un - Audited Financial Results along with Limited Review Report for the First Quarter ended June 30, 2021 under Regulation 30 & 33 of SEBI (LODR) Regulations, 2015

In Terms of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, as amended from time to time, we hereby enclose the Un-audited Financial Results of the company for the First Quarter ended June 30, 2021 along with the limited Review Report.

Kindly take the same on your Record.

Yours Sincerely

Thanking you,  
Yours faithfully,  
For **Starcom Information Technology Limited**



**Nidhi Sharma**  
**Company Secretary & Compliance Officer**

**STARCOM INFORMATION TECHNOLOGY LIMITED**

CIN No.: L67120KA1995PLC078846

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

**Extract of Statement of Unaudited Financial Results for the Quarter Ended 30th June, 2021.****(Rs. In Lacs)**

Particulars	Quarter Ended			Year Ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	Unaudited	Audited	Unaudited	Audited
1 Total Income from Operations (net)	42.57	108.59	147.87	650.76
2 Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(132.81)	(161.07)	(27.96)	(240.72)
3 Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(132.81)	(161.07)	(27.96)	(240.72)
4 Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(118.80)	(174.39)	(27.50)	(252.34)
5 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(116.84)	(147.74)	(25.91)	(220.93)
6 Equity Share Capital (Face Value Rs. 10/- per share)	500.06	500.06	500.06	500.06
7 Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of previous year	(569.83)	(348.90)	(348.90)	(348.90)
8 Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) (not annualised)				
a. Basic:	(2.38)	(3.49)	(0.55)	(5.05)
b. Diluted:	(2.38)	(3.49)	(0.55)	(5.05)

**Notes:**

The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly results is available on the Company's website at [www.starcominfotech.com](http://www.starcominfotech.com) and the Stock Exchange websites at [www.bseindia.com](http://www.bseindia.com).

**For and on behalf of the Board**


**Mr. Ziaulla Sheriff**  
**Director**  
**DIN - 00002098**

**Date : 13th August, 2021**  
**Place : Bengaluru**

**STARCOM INFORMATION TECHNOLOGY LIMITED**

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**Statement of Unaudited Financial Results for the Quarter Ended 30th June, 2021.**
**(Rs. In Lacs)**

Particulars	Quarter Ended			Year Ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	Unaudited	Audited*	Unaudited	Audited
<b>1 Income from operations</b>				
(a) Net sales / income from operations	37.68	86.46	126.35	564.10
(b) Other income	4.88	22.13	21.52	86.66
<b>Total Income</b>	<b>42.57</b>	<b>108.59</b>	<b>147.87</b>	<b>650.76</b>
<b>2 Expenses</b>				
(a) Purchases of stock-in-trade	-	41.75	0.77	127.62
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.22	0.77	(0.43)	(0.48)
(c) Other Direct Cost	-	-	-	36.72
(d) Rent (Refer note 5)	-	0.51	1.52	5.06
(e) Employee benefits expense	60.97	62.04	85.16	287.90
(f) Finance costs	13.04	49.88	27.76	129.90
(g) Depreciation and amortisation expense	11.02	11.27	11.22	45.29
(h) Provision for expected credit loss / bad debts	46.80	34.20	-	34.20
(i) Other expenses	43.32	69.26	49.84	225.27
<b>Total expenses</b>	<b>175.38</b>	<b>269.67</b>	<b>175.83</b>	<b>891.48</b>
<b>3 Profit / (loss) before tax (1-2)</b>	<b>(132.81)</b>	<b>(161.07)</b>	<b>(27.96)</b>	<b>(240.72)</b>
<b>4 Tax expense</b>				
(1) Current tax	-	-	-	-
(2) Deferred tax	(14.01)	13.31	(0.46)	11.62
<b>5 Profit/(loss) after tax (3-4)</b>	<b>(118.80)</b>	<b>(174.39)</b>	<b>(27.50)</b>	<b>(252.34)</b>
<b>6 Other comprehensive income / (loss)</b>				
Items that will not be reclassified to Profit or Loss				
- Remeasurement of post employment benefit obligation	2.65	36.01	2.15	42.44
- Income Tax on Above	(0.69)	(9.36)	(0.56)	(11.04)
<b>Other Comprehensive Income/ (Loss)</b>	<b>1.96</b>	<b>26.64</b>	<b>1.59</b>	<b>31.41</b>
<b>7 Total Comprehensive Income /(loss)</b>	<b>(116.84)</b>	<b>(147.74)</b>	<b>(25.91)</b>	<b>(220.93)</b>
<b>8 Paid-up equity share capital (Face Value per share of Rs. 10/-)</b>	<b>500.06</b>	<b>500.06</b>	<b>500.06</b>	<b>500.06</b>
<b>9 Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of previous year</b>	<b>(569.83)</b>	<b>(348.90)</b>	<b>(348.90)</b>	<b>(348.90)</b>
<b>10 Earnings per share (Basic and Diluted) (Rs.)</b>				
i) before extraordinary items (not annualised)	(2.38)	(3.49)	(0.55)	(5.05)
ii) after extraordinary items (not annualised)	(2.38)	(3.49)	(0.55)	(5.05)

\* Refer Note 3

For Starcom Information Technology Limited



Director



**STARCOM INFORMATION TECHNOLOGY LIMITED**

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**Notes :**

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13th August, 2021 and have undergone 'Limited Review' by the Statutory Auditors of the Company.
- 2 The financial results have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 Figures for the quarter ended 31 March 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter ended December 31, 2020.
- 4 The Company have an overdue statutory dues as on 30th June, 2021 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 213.41 lacs (including interest of Rs. 107.84 lacs), Provident Fund / ESIC / Professional Tax of Rs. 179.13 lacs (including interest of Rs. 74.80 lacs) and Tax Deducted at Source of Rs. 609.49 lacs (including interest of Rs. 244.81 lacs). Though the Company has provided for interest up to 30th June, 2021 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. **The Auditor has given modified opinion in this regard.**
- 5 Since the Company is having stress in working capital finance and major funds are utilised in intangible assets under development, it has not able to pay Rs. 660.81 lacs (net of TDS) in respect of rent for the office premises for the period up to 31st March, 2019, which are owned by a promoter (Mr. Ziaulla Sheriff) jointly with his partner in other business. Considering the abovementioned facts and current Covid-19 pandemic situation, the management is hoping for waive off of the rent for the year and also requested to reduce the outstanding for earlier years to the extent possible. Accordingly, the management has reversed a rent provided up to 31st December, 2019 amounting to Rs. 85.39 lacs during the quarter ended 31st March, 2020 and have not provided rent of Rs. 28.46 lacs for the quarter ended 31st March, 2020, 30th June, 2020, 30th September, 2020, 31st December, 2020, 31st March, 2021 and 30th June, 2021 (Rs. 256.15 lacs as on 30th June, 2021). **The Auditor has given modified opinion in this regard.**
- 6 The Company is developing a Software related to Business Intelligence and Data Quality Solutions since long time of which carrying value as at 30th June, 2021 is Rs. 2442.56 lacs as Intangible Assets under Development. The management believes that the expected future economic benefits that are attributable to the asset will flow to the Company. **The Auditor has given modified opinion in this regard.**
- 7 The company has incurred cash losses and its net worth is fully eroded. Further the Company's Current liabilities exceeds its current assets as at the date of the Balance sheet. The Management is pursuing the prospective investors to meet its working capital requirements and is of the opinion that the operations of the Company will make profits in future. Accordingly, the financial statements have been prepared on a going concern basis.
- 8 The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance. The Company has taken into account the possible impact of Covid-19 in preparation of the financial statements, including its assessment of recoverable value of its assets based on internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions. Considering the financial year was affected by the COVID Pandemic, where Educational Institutions were closed for most of the time, in the target segment, purchases have been deferred to the coming semesters, resulting in loss of business of more than 90 %. Most of the products of Starcom are only used in the labs for hands on implementations of applications & experiments, which were not possible as labs were closed all through the year as only online theoretical classes happened. Other Revenue line of services in defence establishment were also badly affected. Not only the defence labs operated with minimum staff, globally service chains were closed. Due to which projects were not completed & revenue generation has been deferred. Many Research & Development establishments were downsized with a spending crunch & unfavourable sentiments, resulted in loss of revenue. The Management is hopefully for bounce back once the target segment opens up, by leveraging all the open opportunities & converting them into revenue. According to the Management, the Company's negative growth for this period, should be treated in the light of global pandemic affecting business & not anything else.
- 9 Though the company has incurred losses during the current quarter and previous year, the Company has recognised deferred tax asset amounting to Rs. 75.65 lacs as at 30th June, 2021 as management believes that the Company will generate sufficient profits in near future to realise the same. **The Auditor has given modified opinion in this regard.**
- 10 Figures of the previous period have been reclassified/ regrouped wherever necessary.

For Starcom Information Technology Limited



Director

**STARCOM INFORMATION TECHNOLOGY LIMITED**

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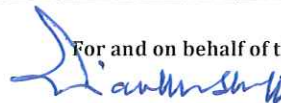
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**11 Segment information :**

Particulars		Quarter Ended			(Rs. In Lacs)
		30.06.2021	31.03.2021	30.06.2020	Year Ended
		Unaudited	Audited	Unaudited	31.03.2021 Audited
<b>1</b>	<b>Segment Revenue</b>				
	a. Test, Measurement & Embedded Solutions for Educational Sector	0.46	51.41	0.03	186.34
	b. Data Quality, Statistical & Analytics Software's	37.22	35.05	126.32	377.76
	<b>Total</b>	<b>37.68</b>	<b>86.46</b>	<b>126.35</b>	<b>564.10</b>
<b>2</b>	<b>Segment Results</b>				
	a. Test, Measurement & Embedded Solutions for Educational Sector	0.24	14.49	(8.15)	20.57
	b. Data Quality, Statistical & Analytics Software's	11.25	30.09	49.01	154.43
	<b>Total</b>	<b>11.49</b>	<b>44.58</b>	<b>40.86</b>	<b>175.01</b>
	<b>Less :</b>				
	i) Finance costs	13.04	49.88	27.76	129.90
	ii) Un-allocable expenses net off income	131.27	155.77	41.06	285.83
	<b>Total Profit / (Loss) before tax</b>	<b>(132.81)</b>	<b>(161.07)</b>	<b>(27.96)</b>	<b>(240.72)</b>
	Less: Tax Expenses	(14.01)	13.31	(0.46)	11.62
	<b>Net Profit / (Loss) after tax</b>	<b>(118.80)</b>	<b>(174.39)</b>	<b>(27.50)</b>	<b>(252.34)</b>
<b>3</b>	<b>Segment Assets</b>				
	a. Test, Measurement & Embedded Solutions for Educational Sector	51.28	58.59	50.33	58.59
	b. Data Quality, Statistical & Analytics Software's	3,400.26	3,494.86	3,456.91	3,494.86
	Unallocated	174.64	165.23	218.17	165.23
	<b>Total</b>	<b>3,626.18</b>	<b>3,718.68</b>	<b>3,725.41</b>	<b>3,718.68</b>
<b>4</b>	<b>Segment Liabilities</b>				
	a. Test, Measurement & Embedded Solutions for Educational Sector	22.42	38.31	18.52	38.31
	b. Data Quality, Statistical & Analytics Software's	10.26	36.42	27.73	36.42
	Unallocated	3,780.11	3,713.72	3,553.92	3,713.72
	<b>Total</b>	<b>3,812.79</b>	<b>3,788.46</b>	<b>3,600.17</b>	<b>3,788.46</b>

For and on behalf of the Board



Date : 13th August, 2021

Place : Bengaluru

Mr. Ziaulla Sheriff

Director

DIN - 00002098



**C A S & C O**  
**CHARTERED ACCOUNTANTS**

Limited Review Report on Unaudited Standalone Financial Results of Starcom Information Technology Limited for the quarter ended June 30, 2021 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To,  
The Board of Directors  
Starcom Information Technology Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Starcom Information Technology Limited (The "Company"), for the quarter ended on June 30, 2021. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. *As stated in note 4 to the Statement, the Company have an overdue statutory dues as on 30<sup>th</sup> June, 2021 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 213.41 lacs (including interest of Rs. 107.84 lacs), Provident Fund / ESIC / Professional Tax of Rs. 179.13 lacs (including interest of Rs. 74.80 lacs) and Tax Deducted at Source of Rs. 609.49 lacs (including interest of Rs. 244.81 lacs). Though the Company has provided for interest upto 30<sup>th</sup> June, 2021 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*
5. *As stated in note 5 to the Statement, the Company has not provided rent for the quarter ended 30<sup>th</sup> June, 2021 amounting to Rs. 28.46 lacs respectively in respect of office premises owned by a promoter of the Company jointly with his partner in other business since the Company is having stress in working capital finance and major funds are utilised in intangible assets under development and current pandemic situation. Had these expenses have been recognised by the Company, Rent expense, loss for the quarter and year end would have been higher by Rs. 28.46 lacs and liabilities and debit balance of other equity would have been higher by Rs. 256.15 lacs as at 30<sup>th</sup> June, 2021.*
6. *Attention is invited to Note no. 6 in respect of Intangible Assets under Development amounting to Rs. 2442.56 lacs which is not completed since long time. In the absence of appropriate audit evidence, we are unable to comment whether it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and impairment loss if any in respect of the same. Accordingly, We are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*



7. Attention is invited to Note No. 7 to the accompanying Statement which indicate that the company has incurred cash losses and its net worth is fully eroded. Further the Company's Current liabilities exceeds its current assets as at the date of the Balance sheet. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the company has prepared its financials on going concern basis, as the Management is pursuing the prospective investors to meet its working capital requirements and is of the opinion that the operations of the Company will make profits in future.
8. Attention is invited to Note no. 9 in respect of deferred tax assets amounting to Rs. 75.65 lacs, in the absence of appropriate audit evidence for reasonable certainty of its realisation, had the said deferred tax assets have not been recognised, loss for the quarter and year end, debit balance of other equity would have been higher by and assets would have been lower by Rs. 75.65 lacs.
9. Based on our review conducted as above, except for the observations as stated in para 4 to 8 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

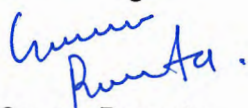
**10. Other Matters**

We draw attention to Note No. 8 to the Statement, which describes management's assessment of the impact of the COVID 19 pandemic on the operations and financial results of the Company.

**For C A S & CO**

Chartered Accountants

Firm's Registration No. 111075W



**Gourav Roongta**

Partner

Mem. No. 186176

UDIN: 21186176AAAABK4188



Place: Mumbai

Date: 13<sup>th</sup> August , 2021