

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 and Half year Ended 30th September, 2021.

Particulars	Quarter Ended			Half Year Ended		(Rs. In Lacs)
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Total Income from Operations (net)	50.56	42.57	205.52	93.12	353.39	650.76
2 Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(188.33)	(132.81)	(46.54)	(321.13)	(74.51)	(240.72)
3 Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(188.33)	(132.81)	(46.54)	(321.13)	(74.51)	(240.72)
4 Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(177.80)	(118.80)	(45.08)	(296.59)	(72.59)	(252.34)
5 Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	(175.84)	(116.84)	(43.50)	(292.67)	(69.41)	(220.93)
6 Equity Share Capital (Face Value Rs. 10/- per share)	500.06	500.06	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)	(569.83)	(348.90)	(348.90)	(348.90)	(569.83)
8 Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) (not annualised)						
a. Basic:	(3.56)	(2.38)	(0.90)	(5.93)	(1.45)	(5.05)
b. Diluted:	(3.56)	(2.38)	(0.90)	(5.93)	(1.45)	(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 and the Stock Exchange websites at www.bseindia.com.

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 13th November, 2021
Place : Bengaluru



STARCOM INFORMATION TECHNOLOGY LIMITED
CIN No.: L67120KA1995PLC078846
Regd. Office : Sheriff Centre, 73/1, St Mark's Road, Bengaluru - 560 001
Phone: 91 80 2227 8283/ 2227 1797 | Fax : +91 80 22278131
Email : info@starcominfotech.com | Website: www.starcominfotech.com

Cash flow statement for the Half year ended 30th September, 2021

(Rs. In Lacs)

Particulars	Half Year ended 30.09.2021 (Unaudited)	Half Year ended 30.09.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
Operating activities			
Profit / (Loss) before exceptional items and tax	(321.13)	(74.51)	(240.72)
Adjustments to reconcile profit before tax to net cash inflow from operating activities			
Finance Cost	25.95	50.97	100.48
Depreciation and amortisation expense	22.16	22.61	45.29
Interest Income	(9.03)	(42.98)	(86.56)
Remeasurement of defined benefit obligation	5.31	4.29	42.44
Provision for expected credit loss on trade receivables	80.19		34.20
Working capital adjustments:-			
(Increase) / Decrease in Inventories	0.42	(1.25)	(0.48)
(Increase) / Decrease in Trade Receivables	148.76	(45.99)	57.13
(Increase) / Decrease in Other Assets	(1.52)	(15.84)	14.07
Increase / (Decrease) in Trade Payables	15.54	(33.28)	(23.51)
Increase / (Decrease) in Provisions	7.57	11.17	(27.60)
Increase / (Decrease) in Other Liabilities	92.61	33.71	(6.49)
	66.83	(91.09)	(91.76)
Income taxes refund / (paid)	2.06	(2.88)	(18.66)
Net cash flow from operating activities	68.89	(93.97)	(110.41)
Investing activities			
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	(11.92)	(114.61)	(181.52)
Fixed deposits	-	1.06	1.87
Interest Income	0.07	0.11	0.83
Net cash flow used in investing activities	(11.85)	(113.44)	(178.82)
Financing activities			
Proceeds from / (Repayment) of Long term Borrowings (Net)	2.31	43.58	79.88
Proceeds from / (Repayment) of Short term Borrowings (Net)	(6.50)	168.53	218.53
Interest expense	(25.95)	(2.88)	(4.29)
Net cash flow from financing activities	(30.14)	209.24	294.13
Increase in cash and cash equivalents	26.89	1.83	4.89
Cash and cash equivalents at the beginning of the year	6.12	1.23	1.23
Cash and cash equivalents at the end of the year	33.02	3.06	6.12

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 13th November, 2021
Place : Bengaluru



STARCOM INFORMATION TECHNOLOGY LIMITED
CIN No.: L67120KA1995PLC078846
Regd. Office : Sheriff Centre, 73/1, St Mark's Road, Bengaluru - 560 001
Phone: 91 80 2227 8283/ 2227 1797 | Fax : +91 80 22278131
Email : info@starcominfotech.com | Website: www.starcominfotech.com

Statement of Unaudited Financial Results for the Quarter and Half year Ended 30th September, 2021.

(Rs. In Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income from operations						
(a) Net sales / income from operations	46.41	37.68	183.97	84.09	310.32	564.10
(b) Other income	4.15	4.88	21.55	9.03	43.07	86.66
Total Income	50.56	42.57	205.52	93.12	353.39	650.76
2 Expenses						
(a) Purchases of stock-in-trade	13.05	-	83.71	13.05	84.48	127.62
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.20	0.22	(0.82)	0.42	(1.25)	(0.48)
(c) Other Direct Cost	-	-	-	-	-	36.72
(d) Rent (Refer note 4)	-	-	1.52	-	3.04	5.06
(e) Employee benefits expense	104.85	60.97	74.53	165.82	159.69	287.90
(f) Finance costs	12.91	13.04	26.91	25.95	54.67	129.90
(g) Depreciation and amortisation expense	11.14	11.02	11.39	22.16	22.61	45.29
(h) Provision for expected credit loss / bad debts	33.39	46.80	-	80.19	-	34.20
(i) Other expenses	63.35	43.32	54.82	106.67	104.66	225.27
Total expenses	238.88	175.38	252.06	414.24	427.90	891.48
3 Profit / (loss) before tax (1-2)	(188.33)	(132.81)	(46.54)	(321.13)	(74.51)	(240.72)
4 Tax expense						
(1) Current tax	-	-	-	-	-	-
(2) Deferred tax	(10.52)	(14.01)	(1.45)	(24.53)	(1.91)	11.62
5 Profit/(loss) after tax (3-4)	(177.80)	(118.80)	(45.08)	(296.59)	(72.59)	(252.34)
6 Other comprehensive income / (loss)						
Items that will not be reclassified to Profit or Loss						
- Remeasurement of post employment benefit obligation	2.65	2.65	2.14	5.31	4.29	42.44
- Income Tax on Above	(0.69)	(0.69)	(0.56)	(1.38)	(1.12)	(11.04)
Other Comprehensive Income/ (Loss)	1.96	1.96	1.59	3.93	3.19	31.41
7 Total Comprehensive Income / (loss)	(175.84)	(116.84)	(43.50)	(292.67)	(69.41)	(220.93)
8 Paid-up equity share capital (Face Value per share of Rs. 10/-)	500.06	500.06	500.06	500.06	500.06	500.06
9 Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of previous year	(569.83)	(569.83)	(348.90)	(348.90)	(348.90)	(569.83)
10 Earnings per share (Basic and Diluted) (Rs.)						
i) before extraordinary items (not annualised)	(3.56)	(2.38)	(0.90)	(5.93)	(1.45)	(5.05)
ii) after extraordinary items (not annualised)	(3.56)	(2.38)	(0.90)	(5.93)	(1.45)	(5.05)

For Starcom Information Technology Limited

[Signature]

Director



STARCOM INFORMATION TECHNOLOGY LIMITED

CIN No.: L67120KA1995PLC078846

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

Phone: 91 80 2227 8283/ 2227 1797 | Fax : +91 80 22278131

Email : info@starcominfotech.com | Website: www.starcominfotech.com

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 November, 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 The Company have an overdue statutory dues as on 30th September, 2021 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 220.53 lacs (including interest of Rs. 112.71 lacs), Provident Fund / ESIC / Professional Tax of Rs. 183.68 lacs (including interest of Rs. 79.40 lacs) and Tax Deducted at Source of Rs. 635.16 lacs (including interest of Rs. 261.70 lacs). Though the Company has provided for interest up to 30th September, 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.**
- 4 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, 30th June, 2021 and 30th September, 2021 (Rs. 284.61 lacs as on 30th September, 2021). **The Auditor has given modified opinion in this regard.**
- 5 The Company is developing a Software related to Business Intelligence and Data Quality Solutions since long time of which carrying value as at 30th September, 2021 is Rs. 2442.95 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.**
- 6 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.
- 7 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 hopeful 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.
- 8 Though the company has incurred losses during the current quarter and previous year, the Company has recognised deferred tax asset amounting to Rs. 85.49 lacs as at 30th September, 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.**
- 9 Figures of the previous period have been reclassified/ regrouped wherever necessary.

For Starcom Information Technology Limited



Director



STARCOM INFORMATION TECHNOLOGY LIMITED

CIN No.: L67120KA1995PLC078846

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

Phone: 91 80 2227 8283/ 2227 1797 | Fax : +91 80 222278131

Email : info@starcominfotech.com | Website: www.starcominfotech.com

10 Segment information :

(Rs. In Lacs)

Particulars	Quarter Ended			Half Year Ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
a. Test, Measurement & Embedded Solutions for Educational Sector	10.84	0.46	129.67	11.30	129.70	186.34
b. Data Quality, Statistical & Analytics Software's	35.57	37.22	54.30	72.79	180.62	377.76
Total	46.41	37.68	183.97	84.09	310.32	564.10
2 Segment Results						
a. Test, Measurement & Embedded Solutions for Educational Sector	2.08	0.24	13.40	2.32	5.25	20.57
b. Data Quality, Statistical & Analytics Software's	10.35	11.25	13.14	21.60	62.15	154.43
Total	12.44	11.49	26.54	23.93	67.40	175.01
Less :						
i) Finance costs	12.91	13.04	26.91	25.95	54.67	129.90
ii) Un-allocable expenses net off income	187.85	131.27	46.17	319.10	87.23	285.83
Total Profit / (Loss) before tax	(188.33)	(132.81)	(46.54)	(321.13)	(74.51)	(240.72)
Less: Tax Expenses	(10.52)	(14.01)	(1.45)	(24.53)	(1.91)	11.62
Net Profit / (Loss) after tax	(177.80)	(118.80)	(45.08)	(296.59)	(72.59)	(252.34)
3 Segment Assets						
a. Test, Measurement & Embedded Solutions for Educational Sector	30.15	51.28	63.52	30.15	63.52	58.59
b. Data Quality, Statistical & Analytics Software's	3,284.38	3,400.26	3,590.56	3,284.38	3,590.56	3,494.86
Unallocated	214.05	174.64	193.79	214.05	193.79	165.23
Total	3,528.58	3,626.18	3,847.87	3,528.58	3,847.87	3,718.68
4 Segment Liabilities						
a. Test, Measurement & Embedded Solutions for Educational Sector	29.26	22.42	81.56	29.26	81.56	38.31
b. Data Quality, Statistical & Analytics Software's	31.76	10.26	59.18	31.76	59.18	36.42
Unallocated	3,830.00	3,780.11	3,625.40	3,830.00	3,625.40	3,713.72
Total	3,891.03	3,812.79	3,766.14	3,891.03	3,766.14	3,788.46

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 13th November, 2021
Place : Bengaluru



STARCOM INFORMATION TECHNOLOGY LIMITED
CIN No.: L67120KA1995PLC078846
Regd. Office : Sheriff Centre, 73/1, St Mark's Road, Bengaluru - 560 001
Phone: 91 80 2227 8283/ 2227 1797 | Fax : +91 80 22278131
Email : info@starcominfotech.com | Website: www.starcominfotech.com

Statement of Assets and Liabilities

		(Rs. In Lacs)	
Particulars		As at 30.09.2021	As at 31.03.2021
		(Unaudited)	(Audited)
A ASSETS			
A) Non-current assets			
a) Property, Plant and Equipment		11.64	12.67
b) Other Intangible Assets		215.14	236.27
c) Intangible Assets Under Developments (Refer note 6)		2,442.95	2,431.03
d) Financial Assets			
Other Financials Assets		57.29	57.29
e) Deferred Tax Assets		85.49	62.33
f) Other non-current assets		10.88	10.88
g) Income Tax Assets (Net)		16.00	18.06
Total Non-current assets		2,839.38	2,828.53
A) Current assets			
a) Inventories		5.17	5.59
b) Financial Assets			
i) Trade receivables		632.72	861.67
ii) Cash and cash equivalents		33.02	6.12
iii) Other Bank Balances		0.56	0.56
iv) Others Financial Assets		15.52	15.87
c) Other current assets		2.20	0.34
Total Current assets		689.20	890.16
Total Assets		3,528.58	3,718.68
B EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital		500.06	500.06
b) Other Equity		(862.51)	(569.83)
Total Equity		(362.45)	(69.77)
LIABILITIES			
A) Non-current liabilities			
a) Financial Liabilities			
Long-term borrowings		1,445.74	1,443.43
b) Other non current liabilities		15.34	20.74
c) Non-current provisions		59.16	51.59
Total Non-current liabilities		1,520.23	1,515.76
B) Current liabilities			
a) Financial Liabilities			
(i) Short term Borrowing		252.26	258.76
(ii) Trade payables		1,013.54	998.00
b) Other current liabilities		1,100.67	1,011.61
c) Current provisions		4.32	4.32
Total current liabilities		2,370.80	2,272.70
TOTAL - EQUITY AND LIABILITIES		3,528.58	3,718.68

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 13th November, 2021
Place : Bengaluru



C A S & C O
CHARTERED ACCOUNTANTS

Limited Review Report on Unaudited Standalone Financial Results of Starcom Information Technology Limited for the quarter and half year ended September 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 and half year ended on September 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 3 to the Statement, the Company have an overdue statutory dues as on 30th September, 2021 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 220.53 lacs (including interest of Rs. 112.71 lacs), Provident Fund / ESIC / Professional Tax of Rs. 183.68 lacs (including interest of Rs. 79.40 lacs) and Tax Deducted at Source of Rs. 635.16 lacs (including interest of Rs. 261.70 lacs). Though the Company has provided for interest upto 30th September, 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 4 to the Statement, the Company has not provided rent for the quarter and half year ended 30th September, 2021 amounting to Rs. 28.46 lacs and Rs. 56.92 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 half year end would have been higher by Rs. 28.46 lacs and Rs. 56.92 lacs respectively, liabilities and debit balance of other equity would have been higher by Rs. 284.61 lacs as at 30th September, 2021.*
6. *Attention is invited to Note no. 5 in respect of Intangible Assets under Development amounting to Rs. 2442.95 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. 6 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. 7 in respect of deferred tax assets amounting to Rs. 85.49 lacs, in the absence of appropriate audit evidence for reasonable certainty of its realisation, had the said deferred tax assets have not been recognised, loss for the quarter and half year end and debit balance of other equity would have been higher by and assets would have been lower by Rs. 85.49 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. 7 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

Gourav Roongta

Partner

Mem. No. 186176

UDIN: 21186176AAAABY3225



Place: Mumbai

Date: 13th November, 2021