

14th November 2022

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Dear Ma'am/ Sir,

Subject: Submission of Un-Audited Financial Results along with Limited Review Report for the Second Quarter ended September 30, 2022 under Regulation 30 & 33 of SEBI (LODR) Regulations, 2015

Ref: Starcom Information Technology Limited (CIN: L67120KA1995PLC078846) (Scrip code: 531616)

With reference to the above captioned subject and in reference to the provisions Regulation(s) 30 & 33 of SEBI (LODR) Regulations, 2015, kindly find enclosed the Un-audited Financial Results of the company for the Second Quarter ended September 30, 2022 along with the Limited Review Report.

We request you to take the above on record and disseminate the same on your website.

Thanking you,

For and on Behalf of
Starcom Information Technology Limited



Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Address: Al Barka, Golden Enclave
Old Airport Road, Bangalore – 560017

Date: 14.11.2022

Place: Bangalore

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, 2022.

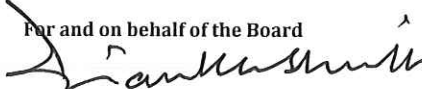
(Rs. In Lacs)

Particulars	Quarter Ended			Half Year Ended		Year ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Total Income from Operations (net)	58.36	46.11	50.56	104.47	93.12	362.55
2 Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(125.70)	(139.46)	(188.33)	(265.17)	(321.13)	(577.76)
3 Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(125.70)	(139.46)	(188.33)	(265.17)	(321.13)	(577.76)
4 Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(121.20)	(131.12)	(177.80)	(252.32)	(296.59)	(532.26)
5 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(118.64)	(128.55)	(175.84)	(247.19)	(292.67)	(522.02)
6 Equity Share Capital (Face Value Rs. 10/- per share)	500.06	500.06	500.06	500.06	500.06	500.06
7 Other equity (excluding Revaluation Reserve)	(1,091.85)	(1,091.85)	(569.83)	(1,091.85)	(569.83)	(1,091.85)
8 Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) (not annualised)						
a. Basic:	(2.42)	(2.62)	(3.56)	(5.05)	(5.93)	(10.64)
b. Diluted:	(2.42)	(2.62)	(3.56)	(5.05)	(5.93)	(10.64)

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 : 14th November, 2022
Place : Bengaluru



STARCOM INFORMATION TECHNOLOGY LIMITED

CIN No.: L67120KA1995PLC078846

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

Statement of Unaudited Financial Results for the Quarter and Half year Ended 30th September, 2022.

(Rs. In Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income from operations						
(a) Net sales / income from operations	58.29	46.11	46.41	104.40	84.09	353.12
(b) Other income	0.07	-	4.15	0.07	9.03	9.43
Total Income	58.36	46.11	50.56	104.47	93.12	362.55
2 Expenses						
(a) Purchases of stock-in-trade	16.37	23.84	13.05	40.21	13.05	65.48
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	6.49	(10.87)	0.20	(4.38)	0.42	(0.14)
(c) Employee benefits expense	71.62	84.59	104.85	156.21	165.82	372.59
(d) Finance costs	13.15	10.43	12.91	23.58	25.95	51.43
(e) Depreciation and amortisation expense	10.98	10.84	11.14	21.82	22.16	44.20
(f) Provision for expected credit loss / bad debts	17.42	17.17	33.39	34.58	80.19	182.23
(g) Other expenses	48.04	49.58	63.35	97.62	106.67	224.52
Total expenses	184.07	185.57	238.88	369.64	414.24	940.31
3 Profit / (loss) before tax (1-2)	(125.70)	(139.46)	(188.33)	(265.17)	(321.13)	(577.76)
4 Tax expense						
(1) Current tax	-	-	-	-	-	-
(2) Deferred tax	(4.50)	(8.35)	(10.52)	(12.85)	(24.53)	(45.49)
5 Profit/(loss) after tax (3-4)	(121.20)	(131.12)	(177.80)	(252.32)	(296.59)	(532.26)
6 Other comprehensive income / (loss)						
Items that will not be reclassified to Profit or Loss						
- Remeasurement of post employment benefit obligation	3.46	3.46	2.65	6.92	5.31	13.84
- Income Tax on Above	(0.90)	(0.90)	(0.69)	(1.80)	(1.38)	(3.60)
Other Comprehensive Income/ (Loss)	2.56	2.56	1.96	5.12	3.93	10.24
7 Total Comprehensive Income /(loss)	(118.64)	(128.55)	(175.84)	(247.19)	(292.67)	(522.02)
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 Other Equity (excluding Revaluation Reserve)	(1,091.85)	(1,091.85)	(569.83)	(1,091.85)	(569.83)	(1,091.85)
10 Earnings per share (Basic and Diluted) (Rs.)						
i) before extraordinary items (not annualised)	(2.42)	(2.62)	(3.56)	(5.05)	(5.93)	(10.64)
ii) after extraordinary items (not annualised)	(2.42)	(2.62)	(3.56)	(5.05)	(5.93)	(10.64)

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 14th November, 2022 and have undergone "Limited Review" by the statutory auditor 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, 2022 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 249.14 lacs (including interest of Rs. 135.92 lacs), Provident Fund / ESIC / Professional Tax of Rs. 215.72 lacs (including interest of Rs. 100.45 lacs) and Tax Deducted at Source of Rs. 752.41 lacs (including interest of Rs. 349.11 lacs). Though the Company has provided for interest up to 30th September, 2022 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. **The Auditor has given modified observations 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 not provided a rent from 1st April, 2019 to 30th September, 2022 amounting to Rs. 398.44 lacs (including Rs. 28.46 lacs and Rs. 56.92 lacs for the quarter and half year ended 30th September 2022). **The Auditor has given modified observations 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, 2022 is Rs. 2431.02 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 observations 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 Though the company has incurred losses during the current quarter and previous year, the Company has recognised deferred tax asset amounting to Rs. 115.22 lacs as at 30th September, 2022 as management believes that the Company will generate sufficient profits in near future to realise the same. **The Auditor has given modified observations in this regard.**
- 8 Figures of the previous period have been reclassified/ regrouped wherever necessary.

For Starcom Information Technology Limited



Director



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9 Segment information :

(Rs. In Lacs)

Particulars	Quarter Ended			Half End Year		Year Ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
a. Test, Measurement & Embedded Solutions for Educational Sector	27.47	23.27	10.84	50.74	11.30	53.72
b. Data Quality, Statistical & Analytics Software's	30.82	22.84	35.57	53.66	72.79	299.41
Total	58.29	46.11	46.41	104.40	84.09	353.12
2 Segment Results						
a. Test, Measurement & Embedded Solutions for Educational Sector	6.47	11.11	2.08	17.58	2.32	11.69
b. Data Quality, Statistical & Analytics Software's	12.10	11.42	10.35	23.52	21.60	139.30
Total	18.57	22.53	12.44	41.10	23.93	150.99
Less :						
i) Finance costs	13.15	10.43	12.91	23.58	25.95	51.43
ii) Un-allocable expenses net off income	131.12	151.56	187.85	282.69	319.10	677.31
Total Profit / (Loss) before tax	(125.70)	(139.46)	(188.33)	(265.17)	(321.13)	(577.76)
Less: Tax Expenses	(4.50)	(8.35)	(10.52)	(12.85)	(24.53)	(45.49)
Net Profit / (Loss) after tax	(121.20)	(131.12)	(177.80)	(252.32)	(296.59)	(532.26)
3 Segment Assets						
a. Test, Measurement & Embedded Solutions for Educational Sector	123.98	107.99	30.15	123.98	30.15	109.56
b. Data Quality, Statistical & Analytics Software's	3,158.95	3,196.83	3,284.38	3,158.95	3,284.38	3,224.16
Unallocated	213.21	214.72	214.05	213.21	214.05	210.20
Total	3,496.14	3,519.55	3,528.58	3,496.14	3,528.58	3,543.92
4 Segment Liabilities						
a. Test, Measurement & Embedded Solutions for Educational Sector	64.49	66.87	29.26	64.49	29.26	29.04
b. Data Quality, Statistical & Analytics Software's	31.27	7.13	31.76	31.27	31.76	92.51
Unallocated	4,239.37	4,165.89	3,830.00	4,239.37	3,830.00	4,014.16
Total	4,335.13	4,239.89	3,891.03	4,335.13	3,891.03	4,135.71

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 14th November, 2022
Place : Bengaluru



STARCOM INFORMATION TECHNOLOGY LIMITED

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Statement of Assets and Liabilities (Unaudited)

Particulars		(Rs. In Lacs)	
		As at	As at
		30.09.2022	31.03.2022
		Unaudited	Audited
A ASSETS			
<u>A) Non-current assets</u>			
a) Property, Plant and Equipment		10.28	10.61
b) Other Intangible Assets		173.01	194.13
c) Intangible Assets Under Developments (Refer note 6)		2,431.03	2,431.03
d) Financial Assets			
Other Financial Assets		56.22	56.22
e) Deferred Tax Assets		115.28	104.23
f) Other non-current assets		10.88	10.88
g) Income Tax Assets (Net)		17.23	16.54
Total Non-current assets		2,813.92	2,823.63
<u>A) Current assets</u>			
a) Inventories		10.12	5.73
b) Financial Assets			
i) Trade receivables		651.34	685.31
ii) Cash and cash equivalents		2.02	7.12
iii) Other Bank Balances		1.21	0.54
iv) Others Financial Assets		15.50	15.58
c) Other current assets		2.03	6.01
Total Current assets		682.22	720.29
Total Assets		3,496.14	3,543.92
B EQUITY AND LIABILITIES			
<u>EQUITY</u>			
a) Equity Share Capital		500.06	500.06
b) Other Equity		(1,339.05)	(1,091.85)
Total Equity		(838.99)	(591.79)
<u>LIABILITIES</u>			
<u>A) Non-current liabilities</u>			
a) Financial Liabilities			
Long-term borrowings		-	-
b) Other non current liabilities		-	10.27
c) Non-current provisions		46.64	42.61
Total Non-current liabilities		46.64	52.88
<u>B) Current liabilities</u>			
a) Financial Liabilities			
(i) Short term Borrowing		1,963.34	1,850.11
(ii) Trade payables		846.86	861.15
(iii) Other financial liabilities		1,444.04	1,356.69
b) Other current liabilities		31.27	11.90
c) Current provisions		2.98	2.98
Total current liabilities		4,288.48	4,082.83
TOTAL - EQUITY AND LIABILITIES		3,496.14	3,543.92

For and on behalf of the Board



Mr. Ziaulla Sheriff
Director
DIN - 00002098



Date : 14th November, 2022
Place : Bengaluru

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Cash flow statement for the Half year ended 30th September, 2022

	(Rs. In Lacs)		
Particulars	Half Year ended 30.09.2022 (Unaudited)	Half Year ended 30.09.2021 (Unaudited)	Year ended 31.03.2022 (Audited)
Operating activities			
Profit / (Loss) before exceptional items and tax	(265.17)	(321.13)	(577.76)
Adjustments to reconcile profit before tax to net cash inflow from operating activities			
Finance Cost	23.58	25.95	51.43
Depreciation and amortisation expense	21.82	22.16	44.20
Interest Income	(0.07)	(9.03)	(9.43)
Remeasurement of defined benefit obligation	6.92	5.31	13.84
Provision for expected credit loss on trade receivables	34.58	80.19	182.23
Working capital adjustments:-			
(Increase) / Decrease in Inventories	(4.38)	0.42	(0.14)
(Increase) / Decrease in Trade Receivables	(0.61)	148.76	(12.61)
(Increase) / Decrease in Other Assets	4.05	(1.52)	(3.13)
Increase / (Decrease) in Trade Payables	(14.28)	15.54	34.26
Increase / (Decrease) in Provisions	4.04	7.57	(10.33)
Increase / (Decrease) in Other Liabilities	96.44	92.61	206.36
	(93.09)	66.83	(81.07)
Income taxes refund /(paid)	(0.69)	2.06	(0.77)
Net cash flow from operating activities	(93.78)	68.89	(81.84)
Investing activities			
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	(0.37)	(11.92)	-
Fixed deposits	(0.67)	-	0.02
Interest Income	0.07	0.07	0.47
Net cash flow used in Investing activities	(0.97)	(11.85)	0.48
Financing activities			
Proceeds form/(repayment) of long Borrowings (Net)	-	2.31	-
Proceeds form/(repayment) of short Borrowings (Net)	113.22	(6.50)	133.79
Interest expense	(23.58)	(25.95)	(51.43)
Net cash flow from financing activities	89.64	(30.14)	82.36
Increase in cash and cash equivalents	(5.10)	26.89	1.00
Cash and cash equivalents at the beginning of the year	7.12	6.12	6.12
Cash and cash equivalents at the end of the year	2.02	33.02	7.12

Date : 14th November, 2022
Place : Bengaluru

For and on behalf of the Board

Ziaulla Sheriff

Mr. Ziaulla Sheriff
Director
DIN - 00002098



CAS & CO
CHARTERED ACCOUNTANTS

Limited Review Report on Unaudited Financial Results of Starcom Information Technology Limited for the quarter and half year ended September 30, 2022 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, 2022. 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, 2022 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 249.14 lacs (including interest of Rs. 135.92 lacs), Provident Fund / ESIC / Professional Tax of Rs. 215.72 lacs (including interest of Rs. 100.45 lacs) and Tax Deducted at Source of Rs. 752.41 lacs (including interest of Rs. 349.11 lacs). Though the Company has provided for interest up to 30th September, 2022 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, 2022 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 were utilised in intangible assets under development. Had these expenses have been recognised by the Company, Rent expense, loss for the quarter and half year would have been higher by Rs. 28.46 lacs and Rs. 56.92 lacs and liabilities and debit balance of other equity would have been higher by Rs. 398.44 lacs as at 30th September, 2022.
6. Attention is invited to Note no. 5 in respect of Intangible Assets under Development amounting to Rs. 2431.02 lacs which is not completed since long time. In the absence of appropriate audit evidence, we are unable to comment whether it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and impairment loss if any in respect of the same.



C A S & C O
CHARTERED ACCOUNTANTS

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. 115.28 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, debit balance of other equity would have been higher by and assets would have been lower by Rs. 115.28 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.

For C A S & C O

Chartered Accountants

Firm's Registration No. 111075W



Ajad Mehata

Partner

Mem. No. 139040

UDIN: 22139040BDBFTO2124



Place: Mumbai

Date: 14.11.2022