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 **Website:** www.starcominfotech.com

November 13, 2020

To,
The Secretary
BSE Limited, PJ Towers,
Dalal Street, Mumbai-400001

Dear Sir,

Ref.: Company Code: 531616

Sub: Submission of Un - Audited Financial Results along with Statement of Assets & Liabilities and Cash Flow Statement & Limited Review Report for the Second Quarter & half Year ended September 30, 2020 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 second quarter and half year ended September 30, 2020 along with the Statement of Assets & Liabilities and Cash Flow Statement for the half year ended September 30, 2020, the limited Review Report.

Kindly take the same on your record.

Thanking you,

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

Starcom Information Technology Limited BANGALORE

Nidhi Sharma
Company Secretary and Compliance Officer
Place: Bangalore

Correspondence Address:
#88, Times Square, MG Road, Bangalore 560001
Tel: 91 80 6765 0000

STARCOM INFORMATION TECHNOLOGY LIMITED
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Statement of Unaudited Financial Results for the Quarter and Half year Ended 30th September, 2020.

(Rs. In Lacs)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from operations**						
	(a) Net sales / income from operations	183.97	126.35	271.84	310.32	554.57	932.26
	(b) Other income	21.55	21.52	22.43	43.07	45.69	97.62
	Total Income	**205.52**	**147.87**	**294.27**	**353.39**	**600.26**	**1,029.88**
2	**Expenses**						
	(a) Purchases of stock-in-trade	83.71	0.77	59.15	84.48	125.93	160.03
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.82)	(0.43)	(0.65)	(1.25)	(6.14)	2.05
	(c) Other Direct Cost	-	-	-	-	14.94	56.56
	(d) Rent (Refer note 4)	1.52	1.52	30.73	3.04	61.47	9.09
	(e) Employee benefits expense	74.53	85.16	95.64	159.69	187.63	374.25
	(f) Finance costs	26.91	27.76	26.34	54.67	53.08	105.12
	(g) Depreciation and amortisation expense	11.39	11.22	11.99	22.61	23.76	47.62
	(h) Provision for expected credit loss / bad debts	-	-	-	-	-	104.18
	(i) Other expenses	54.82	49.84	69.10	104.66	135.95	275.18
	Total expenses	**252.06**	**175.83**	**292.30**	**427.90**	**596.62**	**1,134.07**
3	**Profit / (loss) before tax (1-2)**	**(46.54)**	**(27.96)**	**1.97**	**(74.51)**	**3.64**	**(104.19)**
4	**Tax expense**						
	(1) Current tax	-	-	0.52	-	0.95	-
	(2) Deferred tax	(1.45)	(0.46)	(0.11)	(1.91)	(0.29)	(0.40)
5	**Profit/(loss) after tax (3-4)**	**(45.08)**	**(27.50)**	**1.56**	**(72.59)**	**2.98**	**(103.79)**
6	**Other comprehensive income / (loss)**						
	Items that will not be reclassified to Profit or Loss						
	- Remeasurement of post employment benefit obligation	2.14	2.15	1.03	4.29	2.05	8.58
	- Income Tax on Above	(0.56)	(0.56)	(0.26)	(1.12)	(0.53)	(2.23)
	Other Comprehensive Income/ (Loss)	**1.59**	**1.59**	**0.77**	**3.19**	**1.52**	**6.35**
7	**Total Comprehensive Income /(loss)**	**(43.50)**	**(25.91)**	**2.33**	**(69.41)**	**4.50**	**(97.44)**
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	(348.90)	(348.90)	(251.46)	(348.90)	(251.46)	(251.46)
10	**Earnings per share (Basic and Diluted) (Rs.)**						
	i) before extraordinary items (not annualised)	(0.90)	(0.55)	0.03	(1.45)	0.06	(2.08)
	ii) after extraordinary items (not annualised)	(0.90)	(0.55)	0.03	(1.45)	0.06	(2.08)

For Starcom Information Technology Limited

Director

Starcom Information Technology Limited BANGALORE

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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 November, 2020 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, 2020 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 265.70 lacs (including interest of Rs. 113.02 lacs), Provident Fund / ESIC / Professional Tax of Rs. 160.64 lacs (including interest of Rs. 60.30 lacs) and Tax Deducted at Source or Rs. 522.40 lacs (including interest of Rs. 184.65 lacs). Though the Company has provided for interest up to 30th September, 2020 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present.

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 upto 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 and 30th September, 2020 (Rs. 170.77 lacs as on date).

5 Since the first quarter of Calendar Year 2020, the Covid-19 pandemic has impacted most of the countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. The Company's business is expected to be impacted by lower revenues in the short to medium term. The impact of the Covid-19 pandemic on the financial statements remains uncertain and dependent on the spread of Covid-19, steps taken by the government to mitigate the economic impact, and the time it takes for economic activities to resume at normal levels. In preparation of these results, the Company has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern. Based on current indicators of future economic conditions, the Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets. Considering the evolving nature of the pandemic, its actual impact in future could be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

6 Figures of the previous period have been reclassified/ regrouped wherever necessary.

For Starcom Information Technology Limited

Director

Starcom Information Technology Limited
BANGALORE

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7 **Segment information :**

(Rs. In Lacs)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**						
	a. Test, Measurement & Embedded Solutions for Educational Sector	129.67	0.03	77.63	129.70	175.11	215.08
	b. Data Quality, Statistical & Analytics Software's	54.30	126.32	194.21	180.62	379.46	717.19
	Total	**183.97**	**126.35**	**271.84**	**310.32**	**554.57**	**932.26**
2	**Segment Results**						
	a. Test, Measurement & Embedded Solutions for Educational Sector	13.40	(8.15)	8.04	5.25	21.05	24.78
	b. Data Quality, Statistical & Analytics Software's	13.14	49.01	81.91	62.15	148.58	371.15
	Total	**26.54**	**40.86**	**89.95**	**67.40**	**169.63**	**395.93**
	Less :						
	i) Finance costs	26.91	27.76	26.34	54.67	53.08	105.12
	ii) Un-allocable expenses net off income	46.17	41.06	61.65	87.23	112.90	395.01
	Total Profit / (Loss) before tax	**(46.54)**	**(27.96)**	**1.97**	**(74.51)**	**3.64**	**(104.19)**
	Less: Tax Expenses	(1.45)	(0.46)	0.41	(1.91)	0.66	(0.40)
	Net Profit / (Loss) after tax	**(45.08)**	**(27.50)**	**1.56**	**(72.59)**	**2.98**	**(103.79)**
3	**Segment Assets**						
	a. Test, Measurement & Embedded Solutions for Educational Sector	63.52	50.33	169.88	63.52	169.88	55.35
	b. Data Quality, Statistical & Analytics Software's	3,590.56	3,456.91	3,410.43	3,590.56	3,410.43	3,456.64
	Unallocated	193.79	218.17	178.76	193.79	178.76	176.96
	Total	**3,847.87**	**3,725.41**	**3,759.06**	**3,847.87**	**3,759.06**	**3,688.95**
4	**Segment Liabilities**						
	a. Test, Measurement & Embedded Solutions for Educational Sector	81.56	18.52	145.27	81.56	145.27	90.07
	b. Data Quality, Statistical & Analytics Software's	59.18	27.73	48.20	59.18	48.20	22.91
	Unallocated	3,625.40	3,553.92	3,312.51	3,625.40	3,312.51	3,424.81
	Total	**3,766.14**	**3,600.17**	**3,505.97**	**3,766.14**	**3,505.97**	**3,537.79**

For Starcom Information Technology Limited

Director

Starcom Information Technology Limited BANGALORE

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Statement of Assets and Liabilities

(Rs. In Lacs)

	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
A	**ASSETS**		
	A) Non-current assets		
	a) Property, Plant and Equipment	14.45	15.80
	b) Other Intangible Assets	257.16	278.05
	c) Intangible Assets Under Developments	2,364.11	2,249.87
	d) Financial Assets		
	Other Financials Assets	50.19	48.50
	e) Deferred Tax Assets	85.79	84.99
	f) Other non-current assets	3.81	3.81
	Total Non -current assets	**2,775.51**	**2,681.03**
	A) Current assets		
	a) Inventories	6.37	5.12
	b) Financial Assets		
	i) Trade receivables	998.99	953.00
	ii) Cash and cash equivalents	3.06	1.23
	iii) Other Bank Balances	1.37	2.43
	iv) Others Financial Assets	24.04	24.22
	c) Other current assets	36.25	21.92
	d) Income Tax Assets (Net)	2.28	-
	Total Current assets	**1,072.36**	**1,007.92**
	Total Assets	**3,847.87**	**3,688.95**
B	**EQUITY AND LIABILITIES**		
	EQUITY		
	a) Equity Share Capital	500.06	500.06
	b) Other Equity	(418.32)	(348.90)
	Total Equity	**81.74**	**151.16**
	LIABILITIES		
	A) Non-current liabilities		
	a) Financial Liabilities		
	Long-term borrowings	1,402.45	1,353.52
	b) Other non current liabilities	20.74	20.74
	c) Non- current provisions	85.86	74.69
	Total Non-current liabilities	**1,509.06**	**1,448.95**
	B) Current liabilities		
	a) Financial Liabilities		
	(i) Short term Borrowing	194.53	26.00
	(ii) Trade payables	988.23	1,021.52
	(iii) Other financials liabilities	13.68	13.80
	b) Other current liabilities	1,051.80	1,018.09
	c) Current provisions	8.83	8.83
	d) Income tax liabilities (net)	-	0.60
	Total current liabilities	**2,257.08**	**2,088.84**
	TOTAL - EQUITY AND LIABILITIES	**3,847.87**	**3,688.95**

For and on behalf of the Board

Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 13th November, 2020
Place : Bengaluru

Starcom Information Technology Limited BANGALORE

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Cash flow statement for the half year ended 30th September, 2020

(Rs. In Lacs)

Particulars	Half Year ended 30.09.2020 (Unaudited)	Half Year ended 30.09.2019 (Unaudited)
Operating activities		
Profit / (Loss) before exceptional items and tax	(74.51)	3.64
Adjustments to reconcile profit before tax to net cash inflow from operating activities		
Finance Cost	50.97	48.71
Depreciation and amortisation expense	22.61	23.76
Interest Income	(42.98)	(44.72)
Remeasurement of defined benefit obligation	4.29	2.05
Working capital adjustments:-		
(Increase) / Decrease in Inventories	(1.25)	(6.14)
(Increase) / Decrease in Trade Receivables	(45.99)	(16.94)
(Increase) / Decrease in Other Assets	(15.84)	(1.31)
Increase / (Decrease) in Trade Payables	(33.28)	31.07
Increase / (Decrease) in Provisions	11.17	7.56
Increase / (Decrease) in Other Liabilities	33.71	109.45
	(91.09)	**157.13**
Income taxes refund /(paid)	(2.88)	(2.05)
Net cash flow from operating activities	**(93.97)**	**155.08**
Investing activities		
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	(114.61)	(172.25)
Fixed deposits	1.06	1.07
Interest Income	0.11	1.74
Net cash flow used in investing activities	**(113.44)**	**(169.44)**
Financing activities		
Proceeds form / (Repayment) of Long term Borrowings (Net)	43.58	(4.96)
Proceeds form / (Repayment) of Short term Borrowings (Net)	168.53	-
Interest expense	(2.88)	(3.76)
Net cash flow from financing activities	**209.24**	**(8.72)**
Increase in cash and cash equivalents	**1.83**	**(23.08)**
Cash and cash equivalents at the beginning of the year	1.23	29.54
Cash and cash equivalents at the end of the year	**3.06**	**6.46**

For and on behalf of the Board

Mr. Ziaulla Sheriff
Director
DIN - 00002098

Date : 13th November, 2020
Place : Bengaluru

Limited Review Report on the Unaudited Financial Results of Starcom Information Technology Limited for the quarter and half year ended September 30, 2020 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

The Board of Directors
Starcom Information Technology Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Starcom Information Technology Limited (The "Company"), for the quarter and half year ended on September 30, 2020. 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, 2020 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 265.70 lacs (including Interest of Rs. 113.02 lacs), Provident Fund / ESIC / Professional Tax of Rs. 160.64 lacs (including interest of Rs. 60.30 lacs) and Tax Deducted at Source of Rs. 522.40 lacs (including interest of Rs. 184.65 lacs). Though the Company has provided for interest up to 30th September, 2020 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 financial results 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, 2020 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 ended would have been higher by Rs. 28.46 lacs and Rs. 56.92 lacs respectively and liabilities and debit balance of other equity would have been higher by Rs. 170.77 lacs as at 30th September, 2020.*

CAS & Co. MUMBAI CHARTERED ACCOUNTANTS

6. Based on our review conducted as above, *except for the observations as stated in para (4) & (5) 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 & CO
(formerly known as K. M. Tulsian & Associates)
Chartered Accountants
Firm's Registration No. 111075W

CAS & Co. MUMBAI CHARTERED ACCOUNTANTS

Gourav Roongta
Partner
Mem No.: *186176*
UDIN : 20186176AAAABD7807

Place: Mumbai
Date: 13.11.2020