

STARCOM INFORMATION TECHNOLOGY LIMITED

18th Annual Report

Financial Year 2012-13

Board of Directors:

Present Directors

Mr. Ziaulla Sheriff	-	Chairman & Managing Director
Mr. Mohan Kumar Maddur Gundurao	-	Non Executive & Professional Director
Mr. Laxminarayan Krishnacharya Purohit	-	Non Executive & Professional Director

Registered Office:

43, Great Western Bldg., (Opp. Lion Gate)
N. M. Street Extn, Fort, Mumbai- 400023.

Auditors:

M/s. Singrodia Goyal & Co.,
Chartered Accountants

Bankers:

Kotak Mahindra Bank Ltd.
J & K Bank Ltd.
HDFC Bank Ltd.

Registrar & Share Transfer Agent:

Sharex Dynamic (India) Pvt. Ltd.
(w.e.f. 1st October 2012)
Unit- 1, Luthra Ind. Premises,
Andheri-Kurla Rd., Safed Pool, Andheri (E),
Mumbai – 400 072.

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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of STARCOM INFORMATION TECHNOLOGY LIMITED will be held on Wednesday, 27th November 2013 at 11.00 a.m. at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit & Loss Account (Statement of Profit and Loss) for the year ended as on that date and the report of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Laxminarayan Krishnacharya Purohit, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd November 2013 to Wednesday, 27th November 2013 (both days inclusive).
3. Members are requested to notify the changes, if any, in their address to the Company's Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. immediately, in respect of their physical shares, if any, quoting their folio numbers and to their Depository Participants (DPs) in respect of their electronic share accounts.
4. Members/ proxies are requested to bring their copies of Annual Report at the Annual General Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. Members are requested to send all share transfer lodgments (Physical mode)/ correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure:
Sharex Dynamic (India) Pvt. Ltd.
Unit- 1, Luthra Ind. Premises,
Andheri-Kurla Rd., Safed Pool, Andheri (E),
Mumbai – 400 072.
7. The Members are requested to dematerialize their shareholdings to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrars and Transfer Agents.
8. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.
9. Members/Proxies should bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members holding shares in same / identical name(s) under different folios are requested to apply for consolidation of such folio and relevant share certificate.
12. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
13. Members desiring any information as regards the accounts are requested to write to the Company atleast 7 days before the date of the meeting, so as to enable the management to keep the information ready.
14. The Equity Shares of the Company are listed at BSE Limited and Ahmedabad Stock Exchange Limited and the Company has paid requisite annual listing fees for the year 2013-2014 to the Exchanges.

15. Mr. Laxminarayan Purohit is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Pursuant to clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of aforesaid Director is given below:

Name of Director	Mr. Laxminarayan Krishnacharya Purohit
Date of Birth	30 th January 1959
Nationality	Indian
Date of appointment on Board	12 th August 2011
Qualification	B.Sc, Chartered Accountant
List of Directorships held in other Companies	NIL
Committee membership	Starcom Information Technology Limited (Member of Audit Committee and Shareholders / Investor's Grievance and Share Transfer Committee)

16. The Ministry of Corporate Affairs ('MCA') has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies. The Company shall use the e-mail addresses of the Members obtained from the Depositories / Depository Participants/ available with the Company's Registrar & Share Transfer Agents- Sharex Dynamic (India) Pvt. Ltd. ('R & TA') to send all future Members' communications like notices, the Company's Annual Report, etc. through electronic mode. In case the Members have not furnished their e-mail addresses, they are requested to furnish the same to their Depository Participants. Members are requested to notify immediately of any change of address, e-mail address, bank account details:

- (i) to their Depository Participants (DPs) in respect of their shareholdings in electronic (demat) form and
- (ii) to the Company's Registrar & Share Transfer Agents in respect of their shareholdings in physical form, if any, quoting their folio numbers -
 - a) Sharex Dynamic (India) Pvt. Ltd.
Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072.
Contact No.: 022-2851 5644, 022-2851 5606.

**For and on behalf of the Board of Directors
Starcom Information Technology Limited**

**Ziaulla Sheriff
Chairman & Managing Director**

Bangalore, 29th October 2013

Regd. Office:

43, Great Western Bldg., (Opp. Lion Gate)
N. M. Street Extn, Fort, Mumbai- 400023

DIRECTORS' REPORT

To,

The Members

Your Directors are hereby presenting the Eighteenth Annual Report of your Company together with the audited statements of accounts for the year ended 31st March 2013.

(Amount in Rs.)

Financial Results	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Income	25,529,741	4,407,740
Expenditure	39,050,054	1,043,339
Profit/ (Loss) before Taxation	(13,520,314)	3,364,401
Less: Provision for Taxation	104,198	749,046
Net Profit after taxation	(13,416,115)	2,615,355
Profit/(Loss) brought forward from previous year	7,342,692	4,727,337
Balance carried forward to Balance Sheet	(6,073,423)	7,342,692

OPERATIONS & PROSPECTS:

The operations of the Company have been commenced during the year under review. The discussions for strategic alliances are at an advanced stage with two companies from United States and Germany.

Your Company has different projects on hand which include Analytical Data Services, Multi-designing services, dealerships in electronic products and trading software programs used in educational services.

DIVIDEND:

In view of losses, your Directors do not recommend any dividend for the year under review.

DIRECTORS:

During the year under review, Mr. Laxminarayan Purohit, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment. The Board of Directors has received Forms DDA from all the Directors informing that they are not disqualified under Section 274(1)(g) of the Companies Act, 1956.

The management has identified the Independent Directors. They shall join the Board as soon as the operations commence on full fledged basis.

REGISTERED OFFICE AND SOFTWARE DEVELOPMENT CENTER:

The Company is in the process of shifting the registered office of the Company from "43, Great Western Bldg., (Opp. Lion Gate), N. M. Street Extn, Fort, Mumbai- 400023" to "# 73, Sheriff Centre, St. Mark's Road, Bangalore – 560 001, Karnataka". The Company has obtained Members approval via Postal Ballot.

Further, the Company is in process of filing the petition with the Regional Director Mumbai for obtaining the approval for the proposed shifting of the Registered office.

CHANGE IN REGISTRAR AND TRANSFER AGENT (R&TA):

During the year under review M/s Sharex Dynamic (India) Pvt. Ltd have been appointed as the Registrar and Share Transfer Agent of the Company after complying with the requisite formalities.

Accordingly, Register and Index of Members, copies of Annual Return prepared under Section 159 and 161 of the Act together with the copies of the certificates and documents required to be annexed thereto have been kept with Sharex Dynamic (India) Pvt. Ltd. at Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072.

FIXED DEPOSITS:

The Company has not accepted any fixed deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES:

Pursuant to Section 217(2A) of the Companies Act, 1956, the Directors have to inform that there was no such employee covered under the Section.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

A. Conservation of Energy:

The Company is not covered under the list of specified industries. However the Company on continuous basis takes measures for conservation of power.

B. Technology Absorption, Adaptation and innovation:

There was no technology absorption, adaptation and innovation during the year.

C. Foreign Exchange Earnings and Outgoings:

Foreign Exchange Earning:

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Value of Export services	1,70,67,447	--
Business Facilities Income received from Foreign Party	8,83,380	--
	1,79,50,827	

Foreign Exchange Outgoings: NIL

CORPORATE GOVERNANCE:

Your Company adheres to the requirements set out by the Securities and Exchange Board of India. A separate section of Corporate Governance along with certificate from Practicing Company Secretary regarding compliance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

CEO/CFO CERTIFICATION:

In accordance with the provisions of the Listing Agreement pertaining to Corporate Governance norms, Mr. Ziaulla Sheriff, Chairman and Managing Director has certified the review of financial statements and establishing and maintaining internal controls for financial reporting for the year ended 31st March 2013. The said certificate forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in separate section forming part of the Annual Report.

AUDITORS:

M/s. Singrodia Goyal & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956. Members are requested to consider their re-appointment as Auditors for the financial year ending 31st March 2014 at remuneration to be decided by your Board of Directors or any Committee thereof.

AUDITORS' REPORT:

There are no qualifications contained in the Auditors' Report and therefore there are no further explanations to be provided for in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures except accounts drawn as per Revised Schedule VI of the Companies Act, 1956;

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March 2013 and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to convey their appreciation to all the members, advertisers, bankers, regulatory bodies and other business associates for their continued support and confidence in the management of the Company. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**For and on behalf of the Board of Directors
Starcom Information Technology Limited**

**Ziaulla Sheriff
Chairman & Managing Director**

Bangalore, 29th October 2013

Regd. Office:

43, Great Western Bldg., (Opp. Lion Gate)
N. M. Street Extn, Fort, Mumbai- 400023

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

(A) MANDATORY REQUIREMENTS

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Starcom Information Technology Limited has maintained the highest standards of Corporate Governance principles and best practices by adopting the Corporate Governance Policies and Code of Conduct. These Policies and Code prescribe a set of systems, processes and principles conforming to the international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of all stakeholders.

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability, timely disclosures and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government, lenders and the society. The Company believes that all its actions must serve the underlying goal of enhancing long-term shareholder value. Further, the Company recognizes that the shareholders are ultimately the people who are catalysts to the economic activities and also the ultimate beneficiaries thereof.

II. BOARD OF DIRECTORS:

a) Composition:

The composition of the Board of Directors is in conformity with the Listing Agreement. The Board comprises of three Directors and more than 50% are Non-Executive Directors as under:

Director	Executive / Non-Executive / Independent
Mr. Ziaulla Sheriff (Promoter)	Chairman and Managing Director
Mr. Mohankumar Gundurao	Non-Executive & Professional Director
Mr. Laxminarayan Krishnacharya Purohit	Non-Executive & Professional Director

The management has identified new Independent Directors to form part of the Board. They shall be appointed on commencement of the operations of the Company.

b) Attendance of each director at the Board Meeting and last Annual General Meeting and Number of other Directorships and Committees Memberships:

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other Companies are given below:

Financial Year: 2012–13 (1st April 2012 to 31st March 2013)

Name of the Director	Category	Board Meeting held	Attendance Particulars		No. of other Directorships and Committee Memberships/ Chairmanships in other Indian Public Limited Company as on 31st March 2012#		
			Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Ziaulla Sheriff	C & E	6	6	Yes	6	Nil	N.A.
Mr. Mohan Kumar Maddur Gundurao	NE & PD	6	6	Yes	5	1	Nil
Mr. Laxminarayan Krishnacharya Purohit	NE & PD	6	6	Yes	Nil	N.A.	N.A.

C – Chairman, E – Executive, NE – Non-Executive Director, ID –Independent Director, D- Director, PD- Professional Director.

For the purpose of considering the number of other Directorships and Committee positions, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, have been excluded and Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee have been excluded.

c) Meetings of the Board of Directors:

During the Financial year 2012-13, Six Board Meetings were held on the following dates:

3rd May 2012, 15th May 2012, 14th July 2012, 21st August 2012, 10th November 2012 and 12th February 2013.

III. AUDIT COMMITTEE:

a) Brief description of terms of reference:

The broad terms of reference of Audit Committee are in accordance with the prescribed guidelines as set out in clause 49 of the Listing Agreement executed with the Stock Exchanges that interalia, include overseeing financial reporting processes, reviewing the financial statements, quarterly, half yearly/ annual financial results and adequacy of internal control systems, discussion with the Auditors on any significant findings etc.

b) Composition:

The Committee consists of One Executive and Two Non-Executive Professional Directors. The Members of the Committee have knowledge of finance, accounts, company law, etc. The Chairman of the Audit Committee is a Professional Director. The Company is in the process to induct independent directors on the Board.

Name of the Member	Category	Executive, Non-Executive/ Independent
Mr. Mohan Kumar Maddur Gundurao	Chairman	Non-Executive, Professional
Mr. Laxminarayan Purohit	Member	Non-Executive, Professional
Mr. Ziaulla Sheriff	Member	Executive

c) Meeting and attendance during the year:

During the year under review, five meetings of the Audit Committee were held, the dates being, 15th May 2012, 14th July 2012, 21st August 2012, 10th November 2012 and 12th February 2013.

Name of the Member	Meetings Attended
Mr. Mohan Kumar Maddur Gundurao	5
Mr. Laxminarayan Purohit	5
Mr. Ziaulla Sheriff	5

IV. REMUNERATION COMMITTEE:

a) Brief description of terms of reference:

The Remuneration Committee shall be re-constituted to review and recommend the remuneration payable to the Executive Directors and Senior Management of the Company based on their performance and defined assessment criteria.

b) Composition

The new management is in the process of inducting the independent directors on the Board. On their appointment, the Company shall reconstitute the Remuneration Committee.

c) Meeting and attendance during the year:

During the year under review, no meeting of the Remuneration Committee was held.

d) Remuneration Policy:

The Committee recommends the remuneration payable to Managing Director and Whole-time Director or any Executive Directors based on their contribution to the growth and development of the Company, keeping in mind the remuneration package of the industry.

e) Details of Remuneration Paid:

The new remuneration committee shall recommend the remuneration to be paid to the Managing Director. It was mutually decided between the Company and the Managing Director to forgo the remuneration till such date. The Company has not paid any remuneration or sitting fees to any Managing Director or Directors, during the year under review.

V. SHAREHOLDERS'/ INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE:

a) Constitution and terms of reference of the Committee:

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of shareholders'/ investors' complaints, the Shareholders'/ Investors' Grievances Committee was constituted. The constitution and terms of reference of the Shareholders'/ Investors' Grievance Committee is in conformity with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Shareholders'/ Investors' Grievances Committee is empowered to look into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and other miscellaneous complaints.

The Committee consists of One Executive and Two Non-Executive Professional Directors, at present. Mr. Mohan Kumar Maddur Gundurao, Chairman and Mr. Ziaulla Sheriff and Mr. Laxminarayan Purohit act as Members of the Committee.

b) Name and designation of Compliance Officer:

Mr. Ziaulla Sheriff, Managing Director is the Compliance Officer of the Company.

c) Number of Shareholders complaints received:

There were no complaints received during the year under review.

d) Meeting and attendance during the year:

The Committee met five times during the year under review, i.e. 15th May 2012, 14th July 2012, 21st August 2012, 10th November 2012 and 12th February 2013 and all the members of the Committee were present at all the meetings.

VI. GENERAL BODY MEETINGS:

a) Details of the last three Annual General Meetings of the Company were held and the Special Resolutions passed thereat as under:

Financial Year	AGM	Day, Date & Time	Venue	Special Resolution Passed
2011-2012	17 th AGM	Tuesday, 25 th September 2012 at 11.00 a.m.	Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai-400001.	Change in Registrar and Transfer Agent of the Company
2010-2011	16 th AGM	Saturday, 29 th November 2011 at 10.00 a.m.	Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai-400001.	Appointment of Mr. Ziaulla Sheriff as Managing Director of the Company
2009-2010	15 th AGM	Saturday, 25 th September 2010 at 10.00 a.m	315, Corporate Avenue, Sonawala Road, Goregaon (East), Mumbai – 400 063.	NIL

b) Special Resolution passed through Postal Ballot:

During the financial year under review, no resolution was passed through postal ballot.

c) Person who conducted the postal ballot exercise:

Not applicable.

d) Whether any special resolution is proposed to be conducted through postal ballot:

The Company has acquired members' approval for shifting of registered office of the Company from the State of Maharashtra to the State of Karnataka through Postal Ballot.

e) Procedure for postal ballot:

The Company has complied with issuing of notice and postal ballot forms as per Section 192A and other applicable provisions of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and 2011. Mr. Hemanshu Kapadia, Practicing Company Secretary was appointed as a Scrutinizer to conduct a fair and transparent Postal Ballot process. The Company declared the result of the same on Friday, 12th July 2013.

VII. DISCLOSURES:

(i) Basis of related party transactions:

During the financial year under review there were no materially significant related party transactions with its Promoters, Directors or Management, their relatives except interest free temporary loan taken by the Company from the Chairman and Managing Director.

(ii) Details of non-compliance by the Company:

There has been no instance of non-compliance by the Company on any matter related to the capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

(iii) Whistle Blower Policy:

The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. However, a formal Whistle Blower Policy is not in place.

(iv) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause:

The Company has complied with all the mandatory requirements of clause 49 of the Listing Agreement entered into with the Stock Exchanges except appointment of Independent Directors and consequential impact on the composition of the Board of Directors and Audit Committee. The Company shall adopt and abide by the non-mandatory requirements in future.

VIII. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results are communicated to the BSE Limited where the Company's shares are listed, as soon as the same are approved and taken on record by the Board of Directors of the Company. Further, the results are published in Free Press Journal (English) and Lakshadeep (Marathi). The results are not sent individually to the shareholders.

IX. GENERAL SHAREHOLDERS INFORMATION:

a) 18th Annual General Meeting:

Day, Date and Time : Wednesday, 27th November 2013 at 11.00 A.M.
 Venue : Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001

b) Financial Year : 1st April 2012 to 31st March 2013

c) Date of Book Closure : Saturday, 23rd November 2013 to Wednesday, 27th November 2013

d) Dividend payment date : Not Applicable

e) Listing on Stock Exchanges :

i) BSE Limited

Phiroze Jeejeebhoy Towers, Dalai Street, Mumbai- 400001.

ii) Ahmedabad Stock Exchange Limited

Kamdhenu Complex, Opp. Sahajanand College, Panjrapole, Ahmedabad, Gujarat 380015.

f) Stock Code:

i) BSE Limited	-	531616
ii) Ahmedabad Stock Exchange Limited	-	27876
Demat ISIN in NSDL and CDSL for equity shares -		INE347I01010

g) Market price Data: High, Low during each month in the financial year 2012-2013:

Month	BSE	
	High	Low
April – 2012	87.9	71.7
May – 2012	71.3	58.15
June – 2012	102	61
July – 2012	148.2	89
August- 2012	127	96.35
September –2012	153.8	101.8
October –2012	145.35	113
November – 2012	220.5	135
December – 2012	281.8	206.35
January – 2013	281	236
February – 2013	287	223.05
March – 2013	375	232.8

h) Registrar and Share Transfer Agent:

Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. (w.e.f. 1st October 2012):-

Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072

Purva Sharegistry India Private Limited (upto 25th September 2012):-

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai – 400 011. Tel. No. 23018261

i) Share Transfer System:

Share Transfers are registered and returned within a prescribed period from the date of receipt, if the documents are clear in all respects.

j) Distribution of shareholding as on 31st March 2013:

Grouping of Shares	No. of Shareholders	% of total shareholders	No. of Shares per Category	% of total shares
1 to 5000	193	59.02	54855	1.10
5,001 to 10,000	86	26.30	76863	1.54
10,001 to 20,000	12	3.67	18856	0.38
20,001 to 30,000	5	1.53	11756	0.24
30,001 to 40,000	4	1.22	13974	0.28
40,001 to 50,000	2	0.61	9205	0.18
50,001 to 1,00,000	11	3.36	79208	1.58
1,00,001 and above	14	4.28	4735883	94.71
Total	327	100.00	5000600	100.00

Category	No. of Shareholders	No. of Shares held	% of total shares
Resident Individuals	323	538521	10.77
Bodies Corporate	15	23124	0.46
Promoter	1	4436455	88.72
Hindu Undivided Family	2	2500	0.05
Total	341	5000600	100.00

k) Dematerialization of shares and liquidity:

As on 31st March 2013, 97.45% of the Company's total equity shares representing 48,73,280 shares were held in dematerialized form and balance 2.55% representing 1,27,320 shares were held in physical form.

l) Outstanding GDRs/ADRs Warrants or any convertible instruments, conversion date and likely impact on equity:

There were no such outstanding instruments as on 31st March 2013.

m) Address for correspondence:

- For share transfer/ dematerialization of shares/ other queries relating to the securities:
Sharex Dynamic (India) Pvt. Ltd., (w.e.f 1st October 2012)
Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072
- For queries on Annual Report or investors' assistance:
43, Great Western Building, Opp. Lion Gate, NM Street Extn., Fort, Mumbai PIN- 400023

For Starcom Information Technology Limited

Ziaulla Sheriff
Chairman & Managing Director

Bangalore, 29th October 2013

Regd. Office:

43, Great Western Bldg., (Opp. Lion Gate)
N. M. Street Extn, Fort, Mumbai- 400023

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Starcom Information Technology Limited

We have examined the compliance of conditions of Corporate Governance by **Starcom Information Technology Limited**, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause 49. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the Listing Agreement except for the constitution of Board of Directors and Audit Committee since the management is of the view of appointing newly identified Independent Director on the Board on commencement of business operations of the Company as on date of the certificate.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Hemanshu Kapadia & Associates
Practicing Company Secretaries**

**Hemanshu Kapadia
Proprietor
CP. No. 2285**

Mumbai, 29th October 2013

CEO/ CFO CERTIFICATION

To

The Board of Directors

Starcom Information Technology Limited

I, Ziaulla Sheriff, Chairman and Managing Director of the Company, to the best of my knowledge and belief, certify that:-

- (a) I have reviewed the Balance Sheet & Profit & Loss Account (Statement of Profit and Loss) and all the schedules and notes on accounts, as well as the cash flow statements, and Directors' Report for the year ended 31st March 2013 and to the best of my knowledge and belief:
 - (i) these statements do not contain any untrue statement of a material fact or omit any material fact or contain statements that might be misleading,
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the Internal Control Systems of the Company and the same have been disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
- (d) I have indicated to auditors and the Audit committee that:
 - (i) there are no significant changes in internal control during the year;
 - (ii) there have been no significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
 - (iii) I am not aware of any instance of significant fraud and involvement therein of the Management or an employee having a significant role in the Company's internal control system.

For Starcom Information Technology Limited

**Ziaulla Sheriff
Chairman & Managing Director**

Bangalore, 29th October 2013

ANNUAL CERTIFICATION BY CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR PURSUANT TO CLAUSE 49 I D (II) OF THE LISTING AGREEMENT:

As the Managing Director of Starcom Information Technology Limited and as required pursuant to Clause 49 I D (ii) of the Listing agreement, I hereby declare and certify that all the Board members of the Company have affirmed compliance with the Code of Conduct as adopted by the Company for the year 2012-13.

For Starcom Information Technology Limited

**Ziaulla Sheriff
Chairman & Managing Director**

Bangalore, 29th October 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(i) Industry structure and developments:

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. There are no material departures from prescribed accounting standards in the adoption of these standards. The management of Starcom Information Technology Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and the judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and the state of affairs and profits for the year.

Global Business Environment

The world economy, following the turmoil of the last few years, displayed some initial signs of strength according to recently reported indicators. As could be expected, the initial upturn has largely been felt in the core sectors. This has contributed to expectations of stronger GDP growth in several regions / countries globally. In the IT sector, growth in demand from key consumption segments has created a limited turnaround but this trend is yet to gain significant strength. Moreover, demand growth has been focused on maintaining and expanding the returns on existing IT investments rather than committing fresh investments.

The Indian Opportunity...

Here lies the opportunity for Indian companies that have the business experience, domain strengths, technology capabilities, management bandwidth, technical talent and above all the focused commitment to nurture and establish global brand name for itself.

According to NASSCOM, FY2012 is a landmark year – while the Indian IT-BPO industry weathered uncertainties in the global business environment, this was also the year when the industry set to reach a significant milestone – aggregate revenue for FY2012 crossed USD 100 billion. Aggregate IT software and services revenue (excluding hardware) was estimated at USD 88 billion.

Starcom Information Technology: Poised For Growth

During the financial year 2012 - 2013, Starcom Information Technology Limited (SITL) successfully made several operating initiatives with the underlying objective of creating a successful global business. Powered by a strong business strategy and an aggressive management team, SITL has created a robust pipeline to support sustained business expansion and value enhancement in the coming years in the areas of business intelligence, enterprise analytics and engineering services.

(ii) Opportunities and Threats:

Opportunities:

Recovery and growth of economy as well as significant technology changes are presenting several opportunities to Starcom Information Technology Limited.

- a) Gartner predicts that up to 20% of Companies will own no IT assets of their own by 2012. Recognizing the potential of this trend, Starcom Information Technology Limited is developing competency as well as alliances in this technology and services area.
- b) Enhanced awareness and concern for global warming is leading all enterprises to look for ways to reduce their carbon footprint without compromise on business growth and potential. Starcom Information Technology Limited is readying itself with services in the area of Green IT as well as IT for green. An eco-system of partners and alliances is being set up to address this opportunity.
- c) Improving fortunes of IT industry is increasing the demand for IT professionals and large scale recruitment.

Threats:

As Indian economy continues to outpace developed economies in the world, India continues to be an attractive market for major IT players. This enhanced focus on India continues to exert competitive pressure on Starcom Information Technology Limited performance in domestic market.

The growth in the economy and IT industry is expected to lead to increase in attrition next year. This pressure on attrition as well as fast changing technology landscape will necessitate increased investment in its people and innovative approaches to retain and develop right talent.

(iii) Segment-wise Performance:

The segment wise details as per Accounting Standard 17 "Segment Reporting" as notified by the Companies (Accounting Standard) Rules, 2006 is not applicable as there are no separate reportable segments.

(iv) Outlook:

The Company believes that the current trends in IT spend in domestic market looks good. The recent policy initiatives to make Indian Companies more competitive including new policy on Special Economic Zone, the focus of Indian corporates to benchmark themselves with leading global players in terms of quality of processes and competitiveness, is going to drive an increase in IT spend. The Company is well poised to exploit the emerging opportunities.

(v) Risks and concerns:

It is difficult to assess the risk involved in the business. It is always the intention of the management to minimize the risk involvement with proper analysis and market study, internal control and system.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of the line managers so that risks at the transactional level are identified and steps are taken towards its mitigation in a decentralized fashion.

The Board of Directors is responsible for monitoring risk levels on various parameters and the Managing Director ensures implementation of mitigation measures. The Audit Committee provides the overall Direction on the risk management policies.

(vi) Internal Control systems and their adequacy:

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.

(vii) Discussion on financial performance with respect to operational performance:

The Company has commenced its operations during the year under review.

(viii) Material developments in Human Resources/ Industrial Relations front:

Human resources as the most valuable ingredient of the functioning of a Company. Your Company is in the process of appointing employees.

Cautionary Statement:

Statement in this "Management Discussion and Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. This statement is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. 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.

INDEPENDENT AUDITOR'S REPORT

To the Members,

Starcom Information Technology Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Starcom Information Technology Limited**, which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- (e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

For Singrodia Goyai & Co.

Chartered Accountants

Firm Reg. No. 112081W

Suresh Murarka

Partner

Mem. No. : 044739

Place : Mumbai

Date : 24th May 2013

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the accounts of **Starcom Information Technology Limited** for the year ended 31st March, 2013.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto 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 generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) All the 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 assets. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
 - (c) During the year, there is no substantial disposal of fixed assets.
- (ii) (a) Since the Company does not have any Inventory clause 4(ii) (a),(b) & (c) of the said Order are not applicable to the Company
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clauses 4 (iii) (b), (c) and (d) of the said Order are not applicable to the Company.
 - (b) The Company has taken unsecured loan from one party (Director) covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 18,39,56,642/- and the year-end balance was Rs. 18,39,56,642/-.
 - (c) The said loan is interest free .Other terms and conditions on which the loan has been taken are prima facie, not prejudicial to the interest of the Company;
 - (d) There is no stipulation with regard to repayment of principal amount, hence clause 4 (iii) (g) of the said Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and services provided. During the course of our audit, no major weakness has been noticed in the internal control systems.
- (v) (a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under that section have been so entered.
 - (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company does not have a formal internal audit system. However, according to the information and explanations given to us, operating control systems are commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- (ix) (a) According to the records of the Company, the undisputed statutory dues including Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, to the extent applicable to the Company have been regularly deposited with the appropriate authorities *except for Service Tax liability and TDS liability where few delays have been noticed and Provident Fund liability amounting to Rs. 66,358/- which is not yet paid as the Company has applied for registration under the said act.* There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2013 for a period more than six months from the date they became payable.
 - (b) There are no amount in respect of any disputed sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess.
- (x) The Company has accumulated losses at the end of financial year which does not exceed 50% of its net-worth. The Company has incurred cash losses during the current financial year but not in the immediately preceding financial year.
- (xi) The Company has no facilities from banks and financial institutions.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we are of the opinion that no short-term funds have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For Singrodia Goyal & Co.

Chartered Accountants

Firm Reg. No : 112081W

Suresh Murarka

Partner

Mem. No. 044739

Place: Mumbai

Date: 24th May 2013

BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	50,006,000	50,006,000
(b) Reserves and Surplus	3	(6,073,423)	7,342,692
		<u>43,932,577</u>	<u>57,348,692</u>
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	183,956,642	303,693
(b) Other Long-Term Liabilities	5	5,749,858	-
		<u>189,706,500</u>	<u>303,693</u>
(3) Current Liabilities			
(a) Trade Payable	6	18,093,307	-
(b) Other Current Liabilities	7	1,543,111	31,716
(c) Short Term Provisions	8	273,415	1,193,403
		<u>19,909,833</u>	<u>1,225,119</u>
TOTAL		<u><u>253,548,910</u></u>	<u><u>58,877,504</u></u>
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
- Tangible assets	9	26,666,345	-
(b) Deferred Tax Assets (net)	10	104,198	-
(c) Long Term Loans and Advances	11	58,626,577	220,560
(d) Other Non-Current Assets	12	5,040,000	30,000
		<u>90,437,120</u>	<u>250,560</u>
(2) Current Assets			
(a) Trade Receivables	13	5,166,891	-
(b) Cash and Bank Balances	14	157,897,331	58,626,944
(c) Short Term Loans & Advances	15	47,567	-
		<u>163,111,789</u>	<u>58,626,944</u>
TOTAL		<u><u>253,548,910</u></u>	<u><u>58,877,504</u></u>
Significant Accounting Policies	1		
Accompanying Notes to Accounts	22		

In terms of our report of even date

For Singrodia Goyal & Co

Chartered Accountants

Firm Reg. No. : 112081W

For and on behalf of the Board of Directors of

Starcom Information Technology Limited

Director

Director

Suresh Murarka

Partner

Mem. No. 044739

Place : Mumbai

Date : 24th May, 2013

Place : Bangalore

Date : 24th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in Rs.)

Particulars	Note No.	Year ended 31st March 2013	Year ended 31st March 2012
Income:			
Revenue from operations	16	17,950,827	-
Other income	17	7,578,914	4,407,740
Total Revenue		25,529,741	4,407,740
Expenses:			
Employee benefit expenses	18	571,783	-
Finance Costs	19	2,195,407	-
Depreciation and amortization expense	9	2,474,328	-
Other Expenses	20	33,808,536	1,043,339
Total Expenses		39,050,054	1,043,339
Profit /(Loss) before tax		(13,520,314)	3,364,401
Less: Tax Expenses:			
Current Tax		-	1,040,000
Deferred Tax		(104,198)	-
Short / (Excess) provision for tax of earlier years		-	(290,954)
Profit/(Loss) for the Year		(13,416,115)	2,615,355
Earnings per equity share: (face value of Rs. 10/- each)	21		
(1) Basic		(2.68)	0.52
(2) Diluted		(2.68)	0.52
Significant Accounting Policies	1		
Accompanying Notes to Accounts	22		

In terms of our report of even date
For Singrodia Goyai & Co
 Chartered Accountants
Firm Reg. No. : 112081W

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

Director

Director

Suresh Murarka
 Partner
 Mem. No. 044739

Place : Mumbai
 Date : 24th May, 2013

Place : Bangalore
 Date : 24th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		(Amount in Rs.)	
Particulars	Year ended 31st March 2013	Year ended 31st March 2012	
A CASH FLOW FROM OPERATING ACTIVITIES:			
Net profit before tax	(13,520,314)	3,364,401	
<u>Adjustments for :</u>			
Interest income	7,575,785	4,407,740	
Foreign Exchange Fluctuations	3,129	-	
Operating profit before working capital changes	<u>(21,099,227)</u>	<u>(1,043,339)</u>	
<u>Adjustments for :</u>			
Increase / (Decrease) in Other Long-Term Liabilities	5,749,858	-	
Increase / (Decrease) in Trade Payables	18,093,307	-	
Increase / (Decrease) in Other Current Liabilities	1,511,395	608,930	
Increase / (Decrease) in Short Term Provisions	(321,337)	-	
Decrease / (Increase) in Short-term loans and advances	(47,567)	3,187,200	
Decrease / (Increase) in Long-term loans and advances	(57,549,002)	-	
Decrease / (Increase) in Trade Receivables	(5,163,762)	-	
Decrease / (Increase) in Other Non-Current Assets	(5,010,000)	-	
Cash generated from / (used in) operations	<u>(63,836,336)</u>	<u>2,752,791</u>	
Direct taxes paid	(1,455,666)	(267,555)	
Net cash flow from / (used in) operating activities	<u>(65,292,002)</u>	<u>2,485,236</u>	
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(26,666,345)	-	
Redemption / maturity of bank deposits (having maturity period more than 3 months)	(99,123,872)	(57,936,296)	
Interest income	7,575,785	4,407,740	
Net cash flow from / (used in) investment activities	<u>(118,214,432)</u>	<u>(53,528,556)</u>	
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Loan received	183,652,949	303,693	
Net cash flow from / (used in) financing activities	<u>183,652,949</u>	<u>303,693</u>	
Net increase / (decrease) in cash and cash equivalents	<u>146,515</u>	<u>(50,739,627)</u>	
Cash and cash equivalents at the beginning of the year	529,517	51,269,144	
Cash and cash equivalents at the end of the year	<u>676,032</u>	<u>529,517</u>	

Note :

- 1 Cash and cash equivalents at the end of the year consists of cash in hand and balances with banks as follows :

(Amount in Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
Cash in hand	6,831	16,180
Balances with Bank	669,201	513,337
	<u>676,032</u>	<u>529,517</u>

- 2 Previous year's figures have been regrouped and rearranged wherever necessary in order to confirm to current year's figures.

As per our report of even date attached

For Singrodia Goyal & Co

Chartered Accountants

Firm Reg. No. : 112081W

Suresh Murarka

Partner

Mem. No. 044739

Place : Mumbai

Date : 24th May, 2013

For and on behalf of the Board of Directors of

Starcom Information Technology Limited

Director

Director

Place : Bangalore

Date : 24th May, 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Note 1: Significant Accounting Policies:

A Basis of Accounting:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

B Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize

C Fixed Assets:

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

D Depreciation:

- i) Depreciation on all Fixed Assets, except Leasehold Improvements, is provided on 'Written Down Value Method' at the rates and in the manner prescribed in the Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on Leasehold Improvements is amortized equally over the lease term.

E Impairment of Fixed Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F Revenue Recognition:

- i) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- ii) Revenue from contracts priced on a time basis are recognized when services are rendered and related costs are incurred.
- iii) Interest is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

G Foreign Currency Transactions:

- i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange, prevailing on the date of transaction and the date of realisation is charged to the Profit & Loss Account.
- iii) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognised in the Profit and Loss Account.

H Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

I Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

J Employee Benefits:

Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

K Accounting for Taxes of Income:

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future.

L Miscellaneous Expenditure:

Preliminary expenses are amortised in the year in which they are incurred.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 2 : SHARE CAPITAL

a. Details of authorised, issued and subscribed share capital

(Amount in Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
Authorised Capital		
55,00,000 Equity Shares of Rs 10 each	55,000,000	55,000,000
Issued,Subscribed and Paid up		
50,00,600 Equity Shares of Rs 10 each fully paid up	50,006,000	50,006,000
	<u>50,006,000</u>	<u>50,006,000</u>

b. Shareholders having more than 5% shareholding

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr. Ziaulla Sheriff	4,436,455	88.72%	4,436,455	88.72%

c. Reconciliation of Number of Shares

Particulars	Equity Shares as at 31st March, 2013		Equity Shares as at 31st March, 2012	
	Number	Rs.	Number	Rs.
Shares outstanding at beginning of the year	5,000,600	50,006,000	5,000,600	50,006,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	5,000,600	50,006,000	5,000,600	50,006,000

d. Terms / Right 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.

NOTE 3 : RESERVES & SURPLUS

Particulars	As at 31st March 2013	As at 31st March 2012
Surplus / (Deficit) in Statement of Profit & Loss		
Balance at the beginning of the period	7,342,692	4,727,337
Add: Current Year Profit/(Loss)	(13,416,115)	2,615,355
	<u>(6,073,423)</u>	<u>7,342,692</u>

NOTE 4 : LONG TERM BORROWINGS (UNSECURED)

Particulars	As at 31st March 2013	As at 31st March 2012
Loan from a Director *	183,956,642	303,693
	<u>183,956,642</u>	<u>303,693</u>

* The said loan is interest free and repayable after 31st March 2014.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 5 : OTHER LONG-TERM LIABILITIES

(Amount in Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
Unbilled Lease Rentals	5,749,858	-
	<u>5,749,858</u>	<u>-</u>

NOTE 6 : TRADE PAYABLES

Particulars	As at 31st March 2013	As at 31st March 2012
Trade Payables *		
Due to Micro, Medium and Small Enterprises	-	-
Other than Micro, Medium and Small Enterprises	18,093,307	-
	<u>18,093,307</u>	<u>-</u>

* The name of the Micro, Small and Medium Enterprises suppliers defined under "The Micro, Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.

NOTE 7 : OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2013	As at 31st March 2012
Statutory Dues Payable	1,543,111	31,716
	<u>1,543,111</u>	<u>31,716</u>

NOTE 8 : SHORT TERM PROVISIONS

Particulars	As at 31st March 2013	As at 31st March 2012
Provision for Expenses	273,415	594,752
Provision for Income Tax (Net of Advance Tax & TDS)	-	598,651
	<u>273,415</u>	<u>1,193,403</u>

NOTE 9: FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1st April 2012	Additions during the Year	As at 31st March 2013	As at 1st April 2012	Depreciation charge for the year	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012	
Tangible Assets									
Leasehold Improvements		18,209,079	18,209,079		1,524,977	1,524,977	16,684,102		
Plant & Machinery	-	796,513	796,513	-	37,572	37,572	758,941	-	
Furniture & Fixtures	-	4,155,686	4,155,686	-	311,224	311,224	3,844,462	-	
Office Equipment	-	3,953,975	3,953,975	-	255,186	255,186	3,698,789	-	
Computers	-	2,025,420	2,025,420	-	345,369	345,369	1,680,051	-	
Total	-	29,140,673	29,140,673	-	2,474,328	2,474,328	26,666,345	-	
Previous Year	-	-	-	-	-	-	-	-	

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 10 : DEFERRED TAX ASSETS (NET)

The major components of deferred tax liability / asset as recognized in the financial statement is as follows: (Amount in Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
Deferred Tax Asset		
Excess of fixed assets as per net block for tax purpose over net block as per books of accounts	83,694	-
<u>Expenses disallowed under Sec 43B</u>		
Provident Fund	20,505	-
	<u>104,198</u>	<u>-</u>

NOTE 11 : LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	As at 31st March 2013	As at 31st March 2012
Capital Advances	57,549,002	-
Advance Tax & TDS (Net of Provisions)	1,077,575	220,560
	<u>58,626,577</u>	<u>220,560</u>

NOTE 12 : OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at 31st March 2013	As at 31st March 2012
Sales tax Deposit	40,000	30,000
Rental Deposit	5,000,000	-
	<u>5,040,000</u>	<u>30,000</u>

NOTE 13 : TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

Particulars	As at 31st March 2013	As at 31st March 2012
Trade receivables outstanding for a period more than six months from due date		
Unsecured, considered good	-	-
	-	-
Others		
Unsecured, considered good	5,166,891	-
	<u>5,166,891</u>	<u>-</u>

NOTE 14 : CASH AND BANK BALANCES

Particulars	As at 31st March 2013	As at 31st March 2012
Cash & Cash Equivalents		
a. Balances with banks		
- In Current Accounts	669,201	513,337
b. Cash in Hand	6,831	16,180
Other Bank Balances		
a. In Fixed Deposits (maturity period 3 to 12 months)	157,221,299	58,097,427
	<u>157,897,331</u>	<u>58,626,944</u>

NOTE 15 : SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	As at 31st March 2013	As at 31st March 2012
Advances Receivable in Cash or Kind	375	-
Prepaid Expenses	47,192	-
	<u>47,567</u>	<u>-</u>

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 16 : REVENUE FROM OPERATIONS

(Amount in Rs.)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Software Development Services	17,067,447	-
Business Facility Income	883,380	-
	<u>17,950,827</u>	<u>-</u>

NOTE 17 : OTHER INCOME

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Interest Income	7,575,785	4,407,740
Foreign Exchange Fluctuations (net)	3,129	-
	<u>7,578,914</u>	<u>4,407,740</u>

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Salaries	571,783	-
	<u>571,783</u>	<u>-</u>

NOTE 19 : FINANCE COST

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Interest Expenses	2,192,031	-
Bank Charges	3,376	-
	<u>2,195,407</u>	<u>-</u>

NOTE 20 : OTHER EXPENSES

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Rent Expenses	23,547,658	-
Printing & Stationery	202,274	-
Electricity Expenses	671,153	-
Travelling & Conveyance	420,653	567,684
Security Expenses	421,321	-
House Keeping Expenses	223,165	-
Water Charges	254,003	-
Communication Costs	214,682	-
Legal & Professional Charges	465,181	202,040
Service Charges	6,528,116	-
Advertisement Expenses	82,700	64,238
Listing Fees	96,470	60,815
Registrar Charges	41,329	33,444
Auditor's Remuneration	160,113	115,118
Other Miscellaneous Expenses	479,718	-
	<u>33,808,536</u>	<u>1,043,339</u>

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

REMUNERATION TO AUDITORS (INCLUDING SERVICE TAX)

(Amount in Rs.)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
For Audit Fees	112,360	112,360
For Tax Audit	33,708	-
For Other Services	14,045	2,758
	160,113	115,118

NOTE 21 : EARNINGS PER EQUITY SHARES

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Basic Earnings per Share		
Profit / (Loss) attributable to Equity shareholders	(13,416,115)	2,615,355
Weighted average number of equity shares	5,000,600	5,000,600
Basic Earnings Per Share	(2.68)	0.52
Diluted Earnings per Share		
Profit / (Loss) after adjusting interest on potential equity shares	(13,416,115)	2,615,355
Weighted average number of equity share after considering potential equity shares	5,000,600	5,000,600
Diluted Earnings per Share	(2.68)	0.52

Note 22 : Accompanying Notes to Accounts

- In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.
- Contingent Liabilities not provided for :-
Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 20,00,00,000/- (Previous year Rs. Nil).
- Since the Company did not have any employees who has completed atleast 6 months of service at the year end, no provision and disclosure for Retirement Benefits as required AS-15 is made.
- (a) During the year, the Company had made an offer to The Jammu and Kashmir Bank (J & K Bank) to purchase "Sigmaplot Software product range and Systat Software product range" for a total consideration of Rs. 25,00,00,000 which is presently mortgaged to the J & K Bank by one of its clients, Cranes Software International Limited (CSIL) who had defaulted with the J & K Bank. In terms of the Offer, the consideration to be paid by the Company is in 5 equal instalments of Rs. 5,00,00,000 each upto December, 2013, to the J & K Bank towards the outstanding dues of CSIL. In January, 2013 the Company has paid Rs. 5,00,00,000 towards the first instalment and the same is disclosed under the head Capital Advances in Note no. 11 "Long-Term Loans and Advances". Post Balance Sheet date another instalment of Rs. 5,00,00,000 was paid in April, 2013.
On payment of full amount of consideration of Rs. 25,00,00,000 J & K Bank shall transfer the ownership rights of the above softwares to the Company and the same will be capitalised upon the said transfer.
- (b) The Company has also entered into a contract with CSIL for upgradation of these two softwares at a cost which is to be charged monthly on time basis. As on 31st March, 2013, the Company has incurred a cost of Rs. 75,49,002 on the upgradation of these softwares which is also disclosed under Capital Advances in Note no. 11.
- The name of the Company has been changed from Jatia Finance Limited to Starcom Information Technology Limited and the fresh certificate of incorporation dated 10th December, 2008 has been received from the Registrar of Companies, Mumbai.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

6. Related Party disclosures

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are the details of transactions during the year with the related parties of the Company as defined in AS 18:

For the Year Ended 31st March, 2013		(Amount in Rs.)
i. List of related parties		
Name of the Party	Relationship	
Mr. Ziaulla Sheriff	Managing Director	
Mr. Maddur Mohankumar	Director	
Mr. Laxminarayan Purohit	Director	
ii. Transactions with Related Parties :		
Name of Party	Nature of Transaction	Year ended 31st March 2013
Mr. Ziaulla Sheriff	Travelling Expenses	240,000
Mr. Ziaulla Sheriff	Rent Expenses	9,547,800
Mr. Ziaulla Sheriff	Loan taken	183,652,949
iii. Balance Outstanding of Related Parties :		
Name of Party	Receivable / Payable	Year ended 31st March 2013
Mr. Ziaulla Sheriff	Payable	7,665,000
Mr. Ziaulla Sheriff	Loans Payable	183,956,642
For the Year Ended 31st March, 2012		
i. List of related parties		
Name of the Party	Relationship	
Mr. Ziaulla Sheriff	Managing Director	
Mr. Maddur Mohankumar	Director	
Mr. Laxminarayan Purohit	Director	
ii. Transactions with Related Parties :		
Name of Party	Nature of Transaction	Year ended 31st March 2012
Mr. Ziaulla Sheriff	Loan	303,693
iii. Balance Outstanding of Related Parties :		
Name of Party	Receivable / Payable	Year ended 31st March 2012
Mr. Ziaulla Sheriff	Payable	303,693

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.

7. Segment Information

In accordance with the requirements of Accounting Standard 17 "Segment Reporting", the Company's business consists of one reportable business segment i.e. "Software Development Services", hence no separate disclosures pertaining to attributable revenues, Profits, Assets, Liabilities, Capital Employed are given.

8. The Company has during the year taken an office premises under cancellable operating lease agreements that are renewable at the option of both the lessor and lessee. An amount of Rs. 2,35,47,658/- (P.Y. Rs. Nil) is recognised as lease expense in the Statement of Profit and Loss for the year ended 31st March, 2013. The future guaranteed lease payments under non cancellable portion of cancellable lease are as follows:-

Particulars	Amount (Rs.)
- Less than one year	26,699,830
- Later than one year but not later than five years	84,549,461
- Later than five years	-
TOTAL	111,249,291

9. Earnings in Foreign Currency

(Amount in Rs.)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Software Development Services	17,067,447	-
Business Facilities Income	883,380	-
	17,950,827	-

10. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

For Singrodia Goyal & Co
Chartered Accountants
Firm Reg. No. : 112081W

Suresh Murarka
Partner
Mem. No. 044739

Place : Mumbai

Date : 24th May, 2013

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

Director

Director

Place : Bangalore

Date : 24th May, 2013

STARCOM INFORMATION TECHNOLOGY LIMITED

Registered Office: 43, Great Western Bldg., (Opp. Lion Gate) N. M. Street Extn, Fort, Mumbai- 400023

ATTENDANCE SLIP

Annual General Meeting on Wednesday, 27th November 2013 at 11.00 a.m. at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001.

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

DP Id*

Registered Folio No.

Client Id*

NAME AND ADDRESS OF THE MEMBER:

No. of Share(s) held:

I hereby record my presence at the Eighteenth Annual General Meeting of the Company at Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400 001.

Signature of the Member/Proxy _____

* Applicable for investors holding shares in electronic form.

.....TEAR HERE.....

STARCOM INFORMATION TECHNOLOGY LIMITED

Registered Office: 43, Great Western Bldg., (Opp. Lion Gate) N. M. Street Extn, Fort, Mumbai- 400023

PROXY FORM

DP Id*

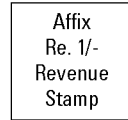
Registered Folio No.

Client Id*

I/We _____ of _____
being a Member(s) of STARCOM INFORMATION TECHNOLOGY LIMITED hereby appoint _____ of _____
_____ or failing him/her _____ of _____ as
my/our proxy to vote for me/us and on my/our behalf at the **Eighteenth Annual General Meeting** of the Company to be held on
Wednesday, 27th November 2013 at 11.00 a.m. and at any adjournment thereof.

Signed 2013.

Place:



Signature

* Applicable for Members holding shares in electronic form.

Note: The Proxy in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a Member of the Company.

Notes

A series of 25 horizontal dotted lines for writing notes.

Book-Post

If undelivered, please return to,

STARCOM INFORMATION TECHNOLOGY LIMITED

43, Great Western Bldg., (Opp. Lion Gate)

N. M. Street Extn, Fort, Mumbai- 400023.