

6th September 2024

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

Dear Ma'am/ Sir,

SUB: Submission of Annual Report for the Financial year 2023-24

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

In pursuance to Regulation 30 & Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find enclosed herewith the Annual Report of the Company for the financial year 2023-24 containing inter-alia the Notice convening the 29th Annual General Meeting to be held on Monday, September 30, 2024 through Audio Visual means, Board's Report with the relevant annexures, Management Discussion and Analysis, Audited Financial Statements, Auditors' Report, etc. for the financial year 2023-24.

Kindly take the above on your record and oblige

For and on Behalf of

Starcom Information Technology Limited



Joydeep Sarkar
Company Secretary & Compliance Officer
PAN: GEDPS6725H

Date: 06.09.2024

Place: Bangalore

STARCOM INFORMATION TECHNOLOGY LIMITED

29TH ANNUAL REPORT 2023-2024



FINANCIAL YEAR 2023-2024

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Corporate Information:

1. Board Of Directors:

- a. Ziaulla Sheriff – Chairman and Managing Director – DIN: 00002098
- b. Maddur Gundurao Mohan Kumar – Independent Director – DIN: 00020029
- c. Mohmmad Yousuf Khan – Independent Director – DIN: 00570339
- d. Hina Sayeeda – Non-Executive Director – DIN: 03642269
- e. Akthar Begum – Additional Independent Director – DIN: 07624256
- f. Krishnendu Prasad Ray – Additional Independent Director – DIN: 10747513
- g. Supriya Kumar Guha – Non-Executive Additional Director – DIN: 03202991

2. Company Secretary:

Joydeep Sarkar

3. Chief Financial Officer:

Mukhtar Ahmad

4. Registered Office:

73/1, Sheriff Centre 5th Floor, St. Marks Road Bangalore 560001

5. Auditors:

Statutory Auditors: M/s. CAS & Co. (Formerly known as K.M Tulsian& Associates),
Chartered Accountants

Internal Auditors: Nagraj & Ajith, Chartered Accountants

Secretarial Auditor: Mehul Jain, Practicing Company Secretary

6. Bankers:

J & K Bank Ltd.
Yes Bank Ltd.
Indian Bank Ltd.
Union Bank of India.
Axis Bank Ltd.

7. Registrar & Share Transfer Agent:

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083



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Phone: +91-80-67650000 Email: info@starcominfotech.com

Website: www.starcominfotech.com

STARCOM INFORMATION TECHNOLOGY LIMITED

CIN: L67120KA1995PLC078846

Regd. Off.: 73/1, Sheriff Centre 5th Floor, St. Marks Road Bangalore 560001, Karnataka, India. Ph.

No.: 080-6750000 Email: sitl.finance@starcominfotech.com

NOTICE OF THE 29th ANNUAL GENERAL MEETING

Notice is hereby given that the 29th (Twenty-Nineth) Annual General Meeting of Starcom Information Technology Limited ("The Company") will be held on Monday, the 30th day of September, 2024 at 11:00 AM through Video Conferencing (VC) or Other Audio Video means (OAVM). The place of business for this purpose shall be deemed to be the Registered Office of the company at Sheriff Centre, 73/1, St Mark's Road, Bengaluru - 560 001 as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS:

2. **To consider and approve the appointment of Ms. Akthar Begum (DIN 07624256) as an Independent Director of the Board of the company.**

To consider and if thought fit to pass the following resolution(s) with or without any modification(s) as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) made thereof for the time being in force, and in accordance with Regulation 17 and other relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of the Articles of Association of the company, Ms. Akthar Begum (DIN 07624256), who was appointed as an Additional Director in the capacity of an Independent Director by the Board of Directors at its meeting held on 28th August 2024, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from the 28th day of August 2024, whose period of office will not be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company or any other member of the Board of Directors of the Company be and are hereby jointly or severally authorized to do all such acts, deeds and to take all such steps such as but not limited to the signing, drafting, filing and executing of all necessary deeds, letters, forms or documents as may be necessary, proper, or expedient to give effect to this resolution.

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

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RESOLVED FURTHER THAT the actions of Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company, in connection with the appointment of Ms. Akthar Begum as an Independent Director are hereby ratified, confirmed, and approved in all respects.

RESOLVED FURTHER THAT this resolution shall be effective as of the date hereof and shall remain in full force and effect until modified or rescinded by further resolution of the Board of Directors."

3. To consider and approve the appointment of Mr. Krishnendu Prasad Ray (DIN: 10747513) as an Independent Director of the Board of the company.

To consider and if thought fit to pass the following resolution(s) with or without any modification(s) as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) made thereof for the time being in force, and in accordance with Regulation 17 and other relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of the Articles of Association of the company, Mr. Krishnendu Prasad Ray (DIN: 10747513), who was appointed as an Additional Director in the capacity of an Independent Director by the Board of Directors at its meeting held on 28th August 2024, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from the 28th day of August 2024, whose period of office will not be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company or any other member of the Board of Directors of the Company be and are hereby jointly or severally authorized to do all such acts, deeds and to take all such steps such as but not limited to the signing, drafting, filing and executing of all necessary deeds, letters, forms or documents as may be necessary, proper, or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the actions of Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company, in connection with the appointment of Mr. Krishnendu Prasad Ray as an Independent Director are hereby ratified, confirmed, and approved in all respects.

RESOLVED FURTHER THAT this resolution shall be effective as of the date hereof and shall remain in full force and effect until modified or rescinded by further resolution of the Board of Directors."

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4. To consider and approve the appointment of Mr. Supriya Kumar Guha (DIN: 03202991) as an Non-Executive Director of the Board of the company.

To consider and if thought fit to pass the following resolution(s) with or without any modification(s) as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) made thereof for the time being in force, and in accordance with Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, Mr. Supriya Kumar Guha (DIN: 03202991), who was appointed as an Additional Director by the Board of Directors at its meeting held on 28th August 2024, be and is hereby appointed as a Non-Executive Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company or any other member of the Board of Directors of the Company be and are hereby jointly or severally authorized to do all such acts, deeds and to take all such steps such as but not limited to the signing, drafting, filing and executing of all necessary deeds, letters, forms or documents as may be necessary, proper, or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the actions of Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company, in connection with the appointment of Mr. Supriya Kumar Guha as an Non-Executive Director are hereby ratified, confirmed, and approved in all respects.

RESOLVED FURTHER THAT this resolution shall be effective as of the date hereof and shall remain in full force and effect until modified or rescinded by further resolution of the Board of Directors."

5. To receive, consider and approve the restatement of the Articles of Association of the company.

To consider and if thought fit to pass the following resolution(s) with or without any modification(s) as a special resolution:

RESOLVED THAT pursuant to the provisions of Section 5, 14 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) made thereof for the time being in force, and in accordance with the relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the restated Articles of Association of the company in line with Table F of the Act, as placed before the meeting and initialed by the Chairman for the purpose of identification, be and are hereby approved and adopted in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

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RESOLVED FURTHER THAT Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company or any other member of the Board of Directors of the Company be and are hereby jointly or severally authorized to do all such acts, deeds and to take all such steps such as but not limited to the signing, drafting, filing and executing of all necessary deeds, letters, forms or documents as may be necessary, proper, or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the actions of Mr. Joydeep Sarkar, Company Secretary of the company or Mr. Ziaulla Sheriff, Managing Director of the company, in connection with the restatement of the Articles of Association are hereby ratified, confirmed, and approved in all respects.

RESOLVED FURTHER THAT this resolution shall be effective as of the date hereof and shall remain in full force and effect until modified or rescinded by further resolution of the Board of Directors."

6. To consider and approve the authority of the board to enter into contracts with related parties of the company.

To consider and if thought fit to pass the following resolution(s) with or without any modification(s) as a special resolution:

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 and other relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and pursuant to the consent of the Audit Committee and Board of Directors, approval of the members be and is hereby accorded to the Company to enter into and/or continue the related party transactions (including any other transfer of resources, services or obligations) entered or to be entered into by the Company with Mr. Ziaulla Sheriff and members of Bhatia Family (Aarthi Bhatia, Kajol Bhatia, M M Bhatia, Sidharth Bhatia, Suresh Bhatia & Sunil Bhatia) related parties within meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at arm's length basis upto a limit of INR 15,00,00,000/- (Indian Rupees Fifteen Crore only) on such terms & conditions as the board may deem fit, and as detailed in the Explanatory Statement annexed to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper, or expedient to give effect to this resolution, including but not limited to finalizing and executing necessary contracts, arrangements, agreements, and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

RESOLVED FURTHER THAT no member of the Company who is a related party shall vote on this resolution to approve any contract or arrangement if such member is a related party, except as provided under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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RESOLVED FURTHER THAT the actions of Mr. Joydeep Sarkar, Company Secretary or any other member of the Board of Directors of the company, in connection with the related party transactions are hereby ratified, confirmed, and approved in all respects.

RESOLVED FURTHER THAT this resolution shall be effective as of the date hereof and shall remain in full force and effect until modified or rescinded by further resolution of the Board of Directors.”

Kindly make it convenient to attend the Annual General Meeting of the Company.

By order of the Board

For and on Behalf of

Starcom Information Technology Limited

(CIN: L67120KA1995PLC078846)

Joydeep Sarkar
Company Secretary
ACS: 60357

Date: 6th September 2024

Place: Bengaluru

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IMPORTANT NOTES:

1. The Ministry of Corporate affairs post the outbreak of COVID-19 had issued various circulars the last being Circular No.10/2022 dated December 28, 2022 with respect to the general meetings of the companies, in this regard physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) can be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders (shareholders holding 2% or more share capital), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. In continuation of Ministry's various circulars, the last being Circular No.09/2023 dated 25.09.2023, MCA has clarified that AGMS for the year ended 31st March 2024 can be held using VC/OAVM until September 30, 2024.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and accordingly Proxy form and Attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of

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the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL

- 8.** In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.starcominfotech.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- 9.** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or M/s Link Intime India Pvt. Ltd.
- 10.** In terms of section 101 and 136 of the Companies Act, 2013 read together with the rules made there under, the listed companies may send the notice of annual general meeting and the annual report, including financial statements, board report etc., by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their email IDs with their respective depository participants or with the share transfer agent of the Company.

Members who have not registered their e-mail address with the Company are requested to submit their request with their valid email address to M/s Link Intime India Pvt. Ltd. Members holding shares in demat form are requested to register/ update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.

- 11.** Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2024 to 30.09.2024 (both days inclusive) for the purpose of the Annual General Meeting.
- 12.** Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Saturday, September 21, 2024. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:-

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Commencement of remote E-Voting 09:00 AM IST on Friday, 27th September, 2024. End of remote E-Voting 05:00 PM IST on Sunday, 29th September, 2024.

Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.

- 13.**The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Registered Office.
- 14.**All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on all working days up to the date of the AGM.
- 15.**A statement giving the details of the Director seeking re-appointment under Item No 2 of the accompanying Notice, as required under Regulation 26(4), Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Secretarial Standard-2 on General Meetings, is provided in annexure attached herewith.
- 16.**Any query relating to accounts or any other items of business set out in the Agenda of the meeting must be sent to the Company's Registered Office at least seven days before the date of the Meeting. The same will be replied by the Company suitably.
- 17.**In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 18.**Members are requested to notify immediately any change in their name, address, e-mail id, telephone/ mobile numbers, Permanent Account number (PAN), Nominations, Power of Attorney, Bank mandate viz. name and address of the branch of the bank, MICR code, account number with blank cancelled cheques to their Depository Participant (DP) quoting their Client Ids to their respective Depository Participants (DPs) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent of the Company namely M/s Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083.
- 19.**As per Regulation 40 of SEBI Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
- 20.**Members holding shares in physical form may nominate a person in respect of all shares held by them whether singly or jointly. Members who hold shares singly are advised to avail nomination facility in their own interest. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
- 21.**Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice

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The Instructions for Members for Remote E-Voting and joining General Meeting are as under:

The remote e-voting period begins on Friday, the 27th day of September, 2024 at 9:00 A.M. and ends on Sunday, the 29th day of September, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, the 21st day of September 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under





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	<p>'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on

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	registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices

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after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mehul@csmj.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to

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go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (info@starcominfotech.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (info@starcominfotech.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

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1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (info@starcominfotech.com). The same will be replied by the company suitably.

By the order of the Board

For and on Behalf of

Starcom Information Technology Limited

(CIN: L67120KA1995PLC078846)

Joydeep Sarkar
Company Secretary
ACS: 60357

Date: 6th September 2024

Place: Bengaluru

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EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("the Act")

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned at Agenda No. 2 to 6.

Agenda Number 2: To consider and approve the appointment of Ms. Akthar Begum (DIN 07624256) as an Independent Director of the Board of the company.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, has appointed Ms. Akthar Begum (DIN 07624256) as an Additional Director in the capacity of an Independent Director with effect from 28th August 2024. In accordance with the provisions of Section 161 of the Companies Act, 2013, Ms. Akthar Begum shall hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible for appointment as an Independent Director.

Ms. Akthar Begum has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director.

The Board is of the opinion that Ms. Akthar Begum's vast experience and knowledge will be of immense benefit to the Company. She is a lawyer by profession, she independently practices law in both High Court and lower courts in Karnataka. She also holds a Masters degree in Arts.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Ms. Akthar Begum as an Independent Director is now being placed before the Members for their approval.

Name of The Director	Akthar Begum
Director Identification Number (DIN)	07624256
Designation	Independent Director
Date of Birth	26/07/1957
Age	67 years
Qualifications	LLB, Masters in Arts
Nature of Expertise in specific functional area	She has expertise in the field of Accounting, Finance & Law.
Experience	She is a practicing lawyer in High Court and lower courts in Karnataka for more than 20 years
Terms and conditions of reappointment	She will be appointed as an independent director on the Board of the company for a period of 5 consecutive years whose period of office will not be liable to determination by retirement of directors by rotation.
Last drawn remuneration	Nil

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Remuneration proposed to be paid	As per the nomination and remuneration policy of the company
Date of first appointment on the Board	28 th August 2024
Shareholding in the Company	Nil
Relationship with other Director/ Manager/KMPs	NA
Other Directorships (other than Starcom Information Technology Limited)	<ul style="list-style-type: none"> • Cranes Software International Limited • Caravel Info Systems Private Limited • Cranes Varsity Private Limited • Analytix Systems Private Limited • Systat Software Asia Pacific Limited • Proland Softwares Private Limited
Membership/Chairmanships of the Committees of Boards of other listed entities (other than Starcom Information Technology Limited)	<p>She is the member of the following committees of Cranes Software International Limited</p> <ul style="list-style-type: none"> • Chairman of the Audit committee • Chairman of the Nomination & Remuneration Committee • Member of Stakeholder Relationship Committee
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	The role and capability requires a person to be expert in Finance and legal matters. She has the requisite expertise being a lawyer and already a member of the Board of directors in a listed Company and also Chairman of various committees.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Ms. Akthar Begum, is in any way concerned or interested, financially or otherwise, in the resolution set out at Agenda No. 2 of the Notice.

The Board recommends the resolution set forth in Agenda No. 2 for the approval of the Members via an ordinary resolution.

Agenda Number 3: To consider and approve the appointment of Mr. Krishnendu Prasad Ray (DIN: 10747513) as an Independent Director of the Board of the company.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Krishnendu Prasad Ray (DIN: 10747513) as an Additional Director in the capacity of an Independent Director with effect from 28th August 2024. In accordance with the provisions of Section 161 of the Companies Act, 2013, Ms. Krishnendu Prasad Ray shall hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible for appointment as an Independent Director.

Mr. Krishnendu Prasad Ray has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director.

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The Board is of the opinion that Mr. Krishnendu Prasad Ray's vast experience and knowledge will be of immense benefit to the Company. He is a Cost Accountant by profession, he also holds a law degree and MBA. Prior to his retirement, he was General Manager, Finance with North Eastern Electric Power Corporation (under Ministry of Power, Government of India). Post retirement he was a consultant to Serious Fraud & Investigation Office (under Ministry of Corporate Affairs, Government of India).

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Ms. Krishnendu Prasad Ray as an Independent Director is now being placed before the Members for their approval.

Name of The Director	Krishnendu Prasad Ray
Director Identification Number (DIN)	10747513
Designation	Independent Director
Date of Birth	07/01/1955
Age	69 years
Qualifications	CMA, MBA, LLB
Nature of Expertise in specific functional area	He has expertise in the field of Accounting, Finance & Law.
Experience	He was General Manager, Finance with North Eastern Electric Power Corporation (under Ministry of Power, Government of India). Post retirement he was a consultant to Serious Fraud & Investigation Office (under Ministry of Corporate Affairs, Government of India).
Terms and conditions of reappointment	He will be appointed as an independent director on the Board of the company for a period of 5 consecutive years whose period of office will not be liable to determination by retirement of directors by rotation.
Last drawn remuneration	Nil
Remuneration proposed to be paid	As per the nomination and remuneration policy of the company.
Date of first appointment on the Board	28 th August 2024
Shareholding in the Company	Nil
Relationship with other Director/ Manager/KMPs	NA
Other Directorships (other than Starcom Information Technology Limited)	Nil
Membership/Chairmanships of the Committees of Boards of other listed entities (other than Starcom Information Technology Limited)	Nil
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	Krishnendu Prasad Ray has the skill and capabilities to guide the Company in finance, compliance and other matters related to Board

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	procedures, Corporate Governance. Having worked with Government Company and with SFIO he has the requisite experience to be appointed in this role.
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None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Krishnendu Prasad Ray, is in any way concerned or interested, financially or otherwise, in the resolution set out at Agenda No. 3 of the Notice.

The Board recommends the resolution set forth in Agenda No. 3 for the approval of the Members via an ordinary resolution.

Agenda Number 4: To consider and approve the appointment of Mr. Supriya Kumar Guha (DIN: 03202991) as a Non-Executive Director of the Board of the company.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Supriya Kumar Guha (DIN: 03202991) as an Additional Director in the capacity of a Non-Executive Director with effect from 28th August 2024. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Supriya Kumar Guha shall hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible for appointment as a Non-Executive Director.

Mr. Supriya Kumar Guha has consented to act as a Non-Executive Director and has submitted a declaration that he meets the criteria for appointment as provided in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director.

The Board is of the opinion that Mr. Supriya Kumar Guha's extensive experience and knowledge will be of immense benefit to the Company. He is a Company Secretary in Practice. Before joining practice, he was employed in Multinational Listed Companies at senior management positions. He is at present Board members of couple of private Limited Companies. He is also in the panel of Independent Director data base.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Mr. Supriya Kumar Guha as a Non-Executive Director is now being placed before the Members for their approval.

Name of The Director	Supriya Kumar Guha
Director Identification Number (DIN)	03202991
Designation	Non-Executive Director
Date of Birth	29/07/1956
Age	68 years
Qualifications	CS, B.Com
Nature of Expertise in specific functional area	He has expertise in the field of Accounting, Finance & Law.

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Experience	He is a Company Secretary in Practice. Before joining practice, he was employed in Multinational Listed Companies at senior management positions. He is at present Board members of couple of private Limited Companies. He is also in the panel of Independent Director data base.
Terms and conditions of reappointment	He will be appointed as a Non-Executive Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.
Last drawn remuneration	Nil
Remuneration proposed to be paid	As per the nomination and remuneration policy of the company
Date of first appointment on the Board	28 th August 2024
Shareholding in the Company	NIL
Relationship with other Director/ Manager/KMPs	NA
Other Directorships (other than Starcom Information Technology Limited)	<ul style="list-style-type: none"> • Kovai Systems India Private Limited • ICF Agritech Private Limited • Beyond Next Ventures India Private Limited • Incubate Advisors India Private Limited • Nutrима Products Private Limited • ITIPS Private Limited – upto 09/08/2023 • Japan Metal Building Systems Private Limited – upto 12/08/2022
Membership/Chairmanships of the Committees of Boards of other listed entities (other than Starcom Information Technology Limited)	NIL

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Supriya Kumar Guha, is in any way concerned or interested, financially or otherwise, in the resolution set out at Agenda No. 4 of the Notice.

The Board recommends the resolution set forth in Agenda No. 4 for the approval of the Members via an ordinary resolution.

Agenda Number 5: To receive, consider and approve the restatement of the Articles of Association of the company.

The Board of Directors of the Company has proposed to restate the Articles of Association (AOA) to align with the current regulatory requirements and best practices. The restatement is intended to incorporate amendments necessitated by changes in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), and other applicable laws.

The existing Articles of Association were adopted at the time of incorporation of the Company and have undergone several amendments over the years. To ensure that the Articles of Association are

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comprehensive and up-to-date and are in line with Table F as provided in the Companies Act 2013, it is proposed to adopt a new set of Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association.

The key changes proposed in the restated Articles of Association include, but are not limited to, the following:

Incorporation of Provisions from the Companies Act, 2013: The restated AOA will include provisions to reflect the changes brought about by the Companies Act, 2013, including but not limited to, the roles and responsibilities of directors, the conduct of board and general meetings, and the rights and obligations of shareholders.

Alignment with SEBI (LODR) Regulations, 2015: The restated AOA will incorporate provisions to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including requirements related to corporate governance, disclosures, and other regulatory compliances.

Modernization and Simplification: The restated AOA will be modernized and simplified to remove redundant provisions and to make the document more user-friendly and easier to understand.

The draft of the restated Articles of Association and the existing Articles of Association of the company is available for inspection at the registered office of the Company during business hours on any working day up to the date of the Annual General Meeting (AGM) and will also be available at the AGM.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Agenda No. 5 for the approval of the Members via a special resolution.

Agenda Number 6: To consider and approve the authority of the board to enter into contracts with related parties of the company.

The Board of Directors of the Company proposes to seek approval from the members to authorize the Board to enter into contracts and arrangements with related parties. This authorization is sought in compliance with the provisions of Section 188 of the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), and the Articles of Association (AOA) of the Company.

Background and Rationale:

The Company, in the ordinary course of its business, enters into various transactions with related parties, which include sale, purchase, or supply of goods or materials, leasing of property, availing or rendering of services, and other transactions as defined under Section 188 of the Companies Act, 2013. These transactions are necessary for the smooth functioning and growth of the Company. The board feels that the company may get into related party agreement(s) (rental/lease agreements) with Mr. Ziaulla Sheriff and members of Bhatia Family (Aarthi Bhatia, Kajol Bhatia, M M Bhatia, Sidharth Bhatia, Suresh Bhatia & Sunil Bhatia) (or any firm or company or any other partnerships formed by Mr. Ziaulla Sheriff & Bhatia Family) related parties within meaning of Section 2(76) of the Act and Regulation

Regd office: Sheriff Centre, 73/1, St Mark's Road, Bengaluru - 560 001
CIN:L67120KA1995PLC078846, Phone: 91 80 2227 8283 / 2227 1797
 Email: info@starcominfotech.com Website: www.starcominfotech.com



Starcom Information Technology Limited

Phone: +91-80-67650000 Email: info@starcominfotech.com

Website: www.starcominfotech.com

2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at arm's length basis upto a limit of INR 15,00,00,000/- (Indian Rupees Fifteen Crore only).

Regulatory Requirements:

Companies Act, 2013: Section 188 of the Companies Act, 2013 requires that any contract or arrangement with a related party with respect to certain transactions must be approved by the Board of Directors and, in certain cases, by the shareholders through a special resolution.

SEBI (LODR) Regulations, 2015: Regulation 23 of the SEBI (LODR) Regulations, 2015 mandates that all material related party transactions require approval of the shareholders through a resolution. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements.

Details of Related Party Transactions:

Particulars	Related Party 1	Related Party 2
Name of the Related party	Ziaulla Sheriff (Managing Director of the company) (or any firm or company or any other partnerships formed by Mr. Ziaulla Sheriff & Bhatia Family)	Members of Bhatia Family (Aarthi Bhatia, Kajol Bhatia, M M Bhatia, Sidharth Bhatia, Suresh Bhatia & Sunil Bhatia) (Partnership with the Managing Director of the company) (or any firm or company or any other partnerships formed by Mr. Ziaulla Sheriff & Bhatia Family)
Nature of transactions as per section 188 of the Companies Act. 2013	Rental/ Lease Agreement with the duration and other terms as per the agreement	Rental/ Lease Agreement with the duration and other terms as per the agreement
Nature of Director or Key Managerial Personnel who is related, if any	Managing Director	Partnership with director of the company (Ziaulla Sheriff)
Nature of Relationship	Managing Director	Partnership with director of the company (Ziaulla Sheriff)
Material terms and particulars of the contract or arrangement	As agreed between the parties	As agreed between the parties
Monetary Value	Upto INR 15,00,00,000/-	Upto INR 15,00,00,000/-
Any other information relevant or important for the members to take decision on the proposed resolution	Nil	Nil

Approval Sought:

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The Board seeks the approval of the members to authorize the Board of Directors to enter into contracts and arrangements with related parties as detailed in the annexure, in compliance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and the Articles of Association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except those who are related parties (Ziaulla Sheriff and Ms. Heena Sayeeda, daughter of Mr. Ziaulla Sheriff), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members as a Special Resolution.

By the order of the Board

For and on Behalf of
Starcom Information Technology Limited
(CIN: L67120KA1995PLC078846)

Joydeep Sarkar
Company Secretary
ACS: 60357

Date: 6th September 2024
Place: Bengaluru

Regd office: Sheriff Centre, 73/1, St Mark's Road, Bengaluru - 560 001
CIN:L67120KA1995PLC078846, Phone: 91 80 2227 8283 / 2227 1797
Email: info@starcominfotech.com Website: www.starcominfotech.com

Report of the Board of Directors of the Company

Dear Members,

The Directors of the Company have the pleasure to present this Integrated Annual Report of Starcom Information Technology Limited ("the Company") along with the audited financial statements for the financial year ended March 31, 2024.

1. Financial Performance:

(Rs. In lakhs)

Particulars	Standalone	
	Financial Year 2023-2024 (FY 2024)	Financial Year 2022-2023 (FY 2023)
Total Income	181.83	213.00
Total Expense	818.94	766.97
Profit/ (loss) before extraordinary items & tax	(637.11)	(553.97)
Exceptional Items	-	-
Profit/ (loss) before tax	(637.11)	(553.97)
Tax expenses/ (Income)	131.49	(29.68)
Profit/ (loss) for the period	(768.60)	(524.29)
Other Comprehensive Income	(2.66)	6.88
Total comprehensive income/ (loss) for the year, net of tax	(771.26)	(517.41)
Earnings per share (basic and diluted)	(15.42)	(10.35)

2. State of Company's Affairs:

During the year under review, the company has earned a Total income of INR 1.82 crore which had decreased by 14.63% as compared to the total income of the previous year. Further the company has posted a total loss of INR 7.71 crore as compared to a total loss of INR 5.17 crore in the previous year. The Net loss of the company increased by 49.06% as compared to the net loss the company incurred during the previous financial.

The company has registered a decrease in the annual revenue from operations by about 10.83% compared with the previous year. The loss for the period before tax stands at INR 6.37 crore as compared to a loss of INR 5.78 crore in the previous year.

The decrease in revenue was due to lower order book position from the clients and the company struggled with the working capital due to which orders could not be executed. Further the loss for the period was higher due to lower revenue due to a sluggish market and provision for expected credit loss.

The Company is making efforts to improve operational effectiveness, optimize costs and increase market reach across all businesses. Barring unforeseen circumstances, these initiatives would positively impact the current year business revenues and improve the operating margins and hence the company will be profitable in the coming period. Your directors are continuously working on different avenues for future growth of the company.

3. Change in the nature of business, if any:

The Company's principal business is to be a global IT driven solution provider in the Business Intelligence, Analytics and Big Dataspace, focused on innovative products and services. There was no change in nature of business activity during the year.

4. Dividend:

The Board did not declare any dividend for the present financial year in the absence of distributable surplus.

5. Transfer to reserves:

The closing balance of the retained earnings of the Company for FY 2024, after all appropriations and adjustments were INR (23.81) crore. The Company has not transferred any amount to any reserve except to what has been shown in the audited Financials of the Company.

6. Share Capital:

During the financial year under review there were no changes in the Capital Structure of the Company.

The paid-up Share Capital of the Company as on March 31, 2024 was INR 5,00,06,000/- (Indian Rupees Five Crore Six Thousand only) divided into 50,00,600 (Fifty Lakhs six Hundred) Equity Shares of INR 10/- (Indian Rupees Ten only) each. The capital structure is as below:

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Share Capital				
Authorized Capital				
Equity Share of INR 10/- each	55,00,000	5,50,00,000	55,00,000	5,50,00,000
TOTAL	55,00,000	5,50,00,000	55,00,000	5,50,00,000

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Issued, Subscribed and fully paid up capital:				
Equity Share INR 10/- each	50,00,600	5,00,06,000	50,00,600	5,00,06,000
TOTAL	50,00,600	5,00,06,000	50,00,600	5,00,06,000

Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:		
Particulars	As at 31st March 2024	
	No. of Shares	Amount (INR)
Equity Shares with voting rights		
Opening Balance	50,00,600	5,00,06,000
Add: Shares issued during the year	-	-
Closing Balance	50,00,600	5,00,06,000

7. Listing/Delisting:

The equity shares of the Company are listed at BSE Limited ("BSE"). The Equity Shares of the Company will continue to remain listed on BSE having nationwide terminals and the shareholders of the Company shall continue to avail the benefits of listing and trading on BSE. The stock code of the Company at BSE is 531616.

8. Consolidation of Accounts:

As there is no subsidiary for our company as on 31st day of March, 2024, consolidation of accounts for the year ended does not arise.

9. Events Subsequent to the date of the Financial Statements:

There have been no material changes and commitments which have affected the financial position of the Company for the Financial Year ended 31st March, 2024 and the date of this Board Report.

10. Public Deposits:

The Company has not accepted or invited any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

11. Details of Directors / Key Managerial Personnel:

During the year under report the Board was duly constituted as per the provisions of the Companies Act, 2013 and the following directors were on the board:

Sl. No.	DIN	Name of Director	Designation	Date of Appointment
1.	00002098	Ziaulla Sheriff	Chairman and Managing Director	12/08/2011
2.	00020029	Maddur Gundurao Mohan Kumar	Independent Director	12/08/2011
3.	00570339	Mohmmad Yousuf Khan	Independent Director	31/03/2017
4.	03642269	Hina Sayeeda	Non-Executive Director	08/11/2014

Pursuant to Section 203 of the Companies Act 2013 the Key Managerial Personnel for the period were as follows:

Sl. No.	DIN/ PAN	Name of Key Managerial Personnel	Designation	Date of Appointment
1.	00002098	Ziaulla Sheriff	Chairman and Managing Director	12/08/2011
2.	AAOPA8142K	Mukhtar Ahmad	Chief Financial Officer	01/06/2011
3.	GEDPS6725H	Joydeep Sarkar	Company Secretary	01/12/2023

The company in its Board meeting held on 28th August 2024 has appointed Ms. Akthar Begum (DIN 07624256 and ID no. IDDB-DI-202405-060085) as an additional and independent director of the Company on the Board, Mr. Krishnendu Prasad Ray (DIN 10747513 and ID no IDDB-NR-202406-060364) as an additional and independent director of the Company on the Board and Mr. Supriya Kumar Guha (DIN 03202991) as a non-executive and additional director on the Board. The tenure of all such directors end in the ensuing Annual General Meeting and being eligible, all the directors have offered themselves, for re-appointment pursuant to provisions of Section 152 of the Companies Act 2013.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

At the time of appointment of Independent Director, through the induction process, he/she is familiarized with the Company, the Director's roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Detailed presentations are made before the Board Members at the Board and its Committee Meetings covering various areas including business, strategy, financial performance and forecast, compliances/regulatory updates, audit reports, risk assessment and mitigation, industry, roles, rights, responsibilities of Independent Directors, etc. The Familiarization Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

The details of training and familiarization programs are available on our website at https://www.starcominfotech.com/images/starcom/pdfs/familiarisation_programme_Independent_Directors.pdf

The Company has a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The Board and its Committee evaluations involved questionnaire-driven discussions that covered a number of key areas / evaluation criteria inter alia the roles and responsibilities, size and composition of the Board and its Committees, dynamics of the Board and its Committees and the relationship between the Board and management. The results of the reviews were discussed by the Board as a whole. Feedback was also sought on the contributions of individual Directors. Formal Annual Evaluation was made in compliance with all the applicable provisions of the Act. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

None of the Directors are related to each other or KMP of the Company except Mr. Ziaulla Sheriff and Ms. Sayeeda Hina, being father and daughter.

12. Policy on directors' appointment and remuneration and other details:

The Policy on the directors' appointment and remuneration can be found on the companies website. The link of the same is: [6-Criteria-of-making-payments-to-non-executive directors.pdf \(starcominfotech.com\)](https://www.starcominfotech.com/6-Criteria-of-making-payments-to-non-executive-directors.pdf)

13. Number of Meetings of the Board:

The Board met Five (5) times during the financial year. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Attendance at the Board meetings:

Name of Director	Date of Board Meeting				
	30 th May 2023	14 th August 2023	7 th September 2023	13 th November 2023	14 th February 2024
Ziaulla Sheriff	Present	Present	Present	Present	Present
Maddur Gundurao Mohankumar	Present	Present	Present	Present	Present
Sayeeda Hina	Present	Absent	Absent	Present	Absent
Mohammad Yousuf Khan	Present	Present	Present	Present	Present

Further the Independent Directors of the Company met once (1) on 14th February 2024 and all Independent Directors were present in the meeting.

14. Committees of the Board:

As on March 31, 2024, the Board had three committees, namely: the audit committee, the nomination and remuneration committee, stakeholder's relationship committee.

All the committee were reconstituted by the Board on 30th May 2024.

A. Audit Committee:

Terms of reference:

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Investigate any matter within its terms of reference or in relation to the compliance with the provisions of the Companies Act, 2013 or referred to it by the Board;
- To seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary;
- Have full access to information contained in the records of the Company.

The role of the Committee includes the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible;
- To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditor, and to review the manner of rotation of Statutory Auditor;
- To approve transactions of the Company with related parties, including modifications thereto;
- To review and monitor the Statutory Auditor's independence and performance, and effectiveness of the audit process;
- To evaluate the Company's internal financial controls and risk management systems;
- Scrutiny of inter-corporate loans and investments;
- To review with the management the Annual and Quarterly financial statements and Auditor's Report thereon before submission to the Board for approval;

As on March 31, 2024 the committee comprises of three directors viz. Ms. Sayeeda Hina, Mr. Mohammad Yousuf Khan (independent Director) and Mr. Maddur Gundurao Mohankumar (independent Director) is the chairman of the committee. The company secretary of the company is the secretary to this committee.

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise as required under the Companies Act, 2013.

All the major steps impacting the financials of the Company are undertaken only after the consultation of the Audit Committee.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

Further, the committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

During the year under review, the audit committee met Four (4) times on 30/05/2023, 14/08/2023, 13/11/2023 & 14/02/2024 and the gap between two meetings did not exceed one hundred and twenty days. The Composition & attendance of the members of the committee is given below: -

Audit Committee Member	Category	No. of Meetings Attended
Mr. Maddur Gundurao Mohankumar	Independent Director & Chairman	4
Ms. Sayeeda Hina	Non-Executive Director	2
Mr. Mohammad Yousuf Khan	Independent Director	4

B. Nomination and Remuneration Committee:

Terms of reference:

- To determine the compensation packages of Executive Directors and Senior Executives of the Company. The committee will review recommendations made to it by the Company and others.
- To act as the duly authorized committee of the Board.
- To determine the parameters and supervise the operation of the bonus schemes of the Company.
- To investigate any activity within its terms of reference.
- To seek any information from any employee of the Company. Employees are directed to cooperate with any relevant request made.
- To obtain outside legal or independent professional advice. Such advisors may attend meetings as necessary.
- To incur such reasonable expenditure, as it deems necessary.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.

The Board has constituted a Nomination and Remuneration Committee in line with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Committee, inter-alia, co-ordinates and oversees the annual performance evaluation of the Board, Committees and individual Directors.

As on March 31, 2024 the committee comprises of three directors viz. Ms. Sayeeda Hina, Mr. Mohmmad Yousuf Khan (independent Director) and Mr. Maddur Gundurao Mohankumar (independent Director) is the chairman of the committee. The company secretary of the company is the secretary to this committee.

During the year under review, the Nomination and Remuneration Committee met one (1) time on 14/02/2024. The Composition & attendance of the members of the committee is given below:

Nomination and Remuneration Committee Member	Category	No. of Meetings Attended
Mr. Maddur Gundurao Mohankumar	Independent Director & Chairman	1
Ms. Sayeeda Hina	Non-Executive Director	1
Mr. Mohammad Yousuf Khan	Independent Director	1

C. Stakeholders' Relationship Committee:

Terms of Reference

The Committee monitors the Company's response to investor complaints like non receipt of dividend, annual reports, notices etc. It has also been authorized to approve the issue of duplicate share certificates in lieu of those lost or destroyed. The composition and terms of reference of the Committee are in conformity with the requirements of Regulation 20 of the Listing Regulations and provisions of Section 178 of the Act. The Committee has been empowered to consider and resolve the grievances of the security holders of the Company.

Functions and Powers:

- To review statutory compliance regarding the Equity share (Investors);
- To review various reports related to Investors;
- To review grievances of Investors;
- To review transfer of shares;
- To review transmission of shares;
- To review deletion of names from share certificates;
- To review change of name of Member on share certificates;
- To review issue of duplicate share certificates;
- To review dematerialization of shares and
- Any other matter relating to the above mentioned functions incidental to the shareholders/investors of the Company.

In accordance with the provisions of the Listing Regulations, the power to execute transfers, transmissions, etc. of shares in the physical form has been delegated to the Registrar & Share Transfer Agents.

As on March 31, 2024 the committee comprises of three directors viz. Ms. Sayeeda Hina, Mr. Ziaulla Sheriff and Mr. Maddur Gundurao Mohankumar (independent Director) is the chairman of the committee. The company secretary of the company is the secretary to this committee.

During the year under review, the Nomination and Remuneration Committee met one (1) time on 14/02/2024. The Composition & attendance of the members of the committee is given below:

Nomination and Remuneration Committee Member	Category	No. of Meetings Attended
Mr. Maddur Gundurao Mohankumar	Independent Director & Chairman	1
Ms. Sayeeda Hina	Non-Executive Director	1
Mr. Ziaulla Sheriff	Executive Director	1

D. Corporate Social Responsibility Committee:

During the year under review, the Company did not fall within the purview of Section 135 of the Companies Act, 2013 and it was not mandatory for the Company to constitute committee on Corporate Social Responsibility or incur any expenditure towards Corporate Social Responsibility. Hence the Company has not constituted the Corporate Social Responsibility Committee.

15. Policy on directors' appointment and remuneration and other details:

The appointment of the Directors and the Key Managerial Personnel is recommended to the Board by the Nomination and Remuneration Committee. The Company has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and other employees. A copy of the policy is on the website of the company, the link to the same is [6-Criteria-of-making-payments-to-non-executive-directors.pdf \(starcominfotech.com\)](https://www.starcominfotech.com/6-Criteria-of-making-payments-to-non-executive-directors.pdf).

16. Loan from Directors:

The Company has taken loans from Directors during the year under review and have obtained declaration pursuant to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014.

As per the requirement of proviso to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of money accepted by the Company from the Director during the financial year 2023-24 is mentioned below:

(Amount in Lakhs)

Name of Director	Designation	Amount of Loan Outstanding as on 31st March 2024
Ziaulla Sheriff	Managing Director	1,461.08

17. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

18. Vigil Mechanism and Whistle Blower:

Pursuant to provisions of section 177 (9) of the Companies Act, 2013, the Company has established a "Vigil mechanism" incorporating Whistle Blower Policy in terms of the Listing Obligations and Disclosure Requirements, 2015 for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, frauds or violation of the codes of conduct by way of direct access to the Chairman of the Audit Committee in exceptional cases. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The policy on vigil mechanism/ whistle blower policy may be accessed on the Company's website at <http://www.starcominfotech.com/images/starcom/pdfs/VigilMechanism.pdf>

19. Internal Financial Control & Adequacy:

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements commensurate with the size, scale and complexity of its operations including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. In case weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls.

During the year, controls were tested and reportable material weakness were identified. The Auditors also stated about material weakness in their report on adequacy of internal financial control. The Company is taking necessary steps to improvise the documentation in respect of specific policies and procedures and the IT Controls pertaining to internal financial controls over financial reporting.

20. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

The Company has not declared any dividend during the Financial Year 2023-24 and hence no unclaimed Dividend was transferred to the Investor Education and Protection Fund.

21. Corporate Social Responsibility (CSR):

The provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company and therefore no report is attached under this head.

22. Disclosure under Sexual Harassment of Women at Work Place – Prevention Prohibition and Redressal Act, 2013:

The Company has in place an Anti-sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) is being setup pursuant to the provisions mentioned under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to the constitution of Internal Complaints Committee to redress the complaints received regarding sexual harassment. All employees are covered under this Policy. The policy is gender neutral.

During the year under review no cases were filed/pending with respect to sexual harassment.

23. Corporate Governance:

As per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the provisions of Corporate Governance are not applicable to your Company. Thus, the Company is not required to annex a Report on Corporate Governance.

24. Management Discussion & Analysis Report:

As required under Regulation 34 read with Schedule V(B) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, report on "Management Discussion and Analysis" is attached as Annexure I and forms a part of this Report.

25. Extract of annual return:

In accordance with Section 134(3)(a) read with Section 92(3) of the Act, the Annual Return in Form MGT-7 is placed on the website of the Company and same can be downloaded by clicking on the following link: <https://starcominfotech.com/investors.aspx>

26. Particulars of Employees:

The information required to be disclosed with respect to the remuneration of Directors and KMPs in the Directors' Report pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure II.

There was no employee drawing remuneration more than the limit mentioned under Rule 5(2)(i) to (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The names of top ten employees of the Company in terms of remuneration drawn as required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is set out as Annexure III.

The Company does not have any Holding Company or Fellow Subsidiary Company and thus, provision relating to receipt of commission from them is not applicable.

27. Health, Safety and Environment:

Your Board is committed to highest standards of providing healthy environment for safety of its employees and your Board reviews the same from time to time.

28. Particulars of Loans, Guarantee & Investment:

Details of loans, guarantees and investments under the provisions of section 186 are given in notes to financial statements.

29. Directors' responsibility statement:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The IND AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The directors confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and are prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- They have prepared the annual accounts on a going concern basis.
- They have laid down the internal financial controls to be followed by the Company and that they are adequate and were operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Statutory Auditors:

In accordance with the Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rule, 2014, at the Annual General Meeting (AGM) held on 30th September 2022, M/s CAS & Co. (formerly known as K.M. Tulsian & Associates) Chartered Accountants (Firm Registration No. 111075W) were appointed as Statutory Auditors of the Company for a term of 5 years from the conclusion of the 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting.

The requirement for annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

During the year, the Statutory Auditors have confirmed that they satisfy the Independence criteria required under Companies Act, 2013 and Code of ethics issued by Institute of Chartered Accountants of India. Further the auditors have also confirmed that they have been peer reviewed and a certificate to that extent has been obtained by the Company.

The Statutory Auditors of the Company have provided a Qualified Opinion of the Financial Statements of the Company which comprises the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and notes to financial statements a summary of the significant accounting policies and other explanatory information.

The management's reply to the observations/Qualification in the Statutory Audit Report is given under:

Clause No.	Statutory Observations	Auditors' Remarks/	Management Reply
a.	As stated in Note No. 39 of the accompanying financial statements, The Company have an overdue statutory dues as on 31st March 2024 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 269.47 lacs (including interest of Rs. 163.03 lacs), Provident Fund / ESIC / Professional Tax of Rs. 243.81 lacs (including interest of Rs. 129.97 lacs) and Tax Deducted at Source or Rs. 909.94 lacs (including interest of Rs. 467.77 lacs). Though the Company has provided for interest up to 31st March 2024 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. Accordingly, we are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.		The company has paid a sum of INR 3.42 Lakhs, INR 1.39 Lakhs and INR 3.47 against PF, TDS & VAT respectively in FY 2023-24 and will be servicing all the statutory dues in the next financial year.
b.	As stated in Note No. 40 of the accompanying financial statements, the Company has not provided rent for the year ended 31st March 2024 amounting to Rs. 113.84 lacs in respect of office premises owned by a promoter of the Company jointly with his partner in other		There is no rental agreement between the Company and Landlord currently. Rental provision will be made as per the new rental agreement, if any

	<p>business. since the Company is having stress in working capital finance and major funds are utilized in intangible assets under development. Had these expenses have been recognized by the Company, Rent expense, loss for the year would have been higher by Rs. 113.84 lacs and liabilities and debit balance of other equity would have been higher by Rs.569.20 lacs as at 31st March 2024</p>	
c.	<p>Attention is invited to Note No. 42 of the accompanying financial statements, in respect of Intangible Assets under Development amounting to Rs. 2431.02 lacs which has not been completed since long time. In the absence of appropriate audit evidence, we are unable to comment whether it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and impairment loss if any in respect of the same. Accordingly, we are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.</p>	<p>The company has initiated the process of capitalizing the Intangible assets and in the coming financial year the same will be completed and will be registered as an Intellectual Property.</p>
d.	<p>Material Uncertainty Related to Going Concern</p> <p>Attention is invited to Note No. 43 of the accompanying financial statements which indicate that the company has incurred cash losses, and its net worth is fully eroded. Further the Company's Current liabilities exceed its current assets as at the date of the Balance sheet. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the company has prepared its financials on going concern basis, as the Management is pursuing prospective investors to meet its working capital requirements and is of the opinion that the operations of the Company will make profits in future.</p>	<p>The management is actively pursuing with prospective investors for investment in the company. The operations of the Company will be expected to make profits in future.</p>
e.	<p>Observation pursuant to the Companies (Auditors Report) Order, 2020</p> <p>Accordingly, to the records of the Company, amount deducted/accrued in the books of accounts in respect of the undisputed statutory dues including Provident fund, Employee's State Insurance, Income tax, Goods and Services tax, Duty of Customs, Cess and other Statutory Dues wherever</p>	<p>The company has paid a sum of INR 3.42 Lakhs, INR 1.39 Lakhs and INR 3.47 against PF, TDS & VAT respectively in FY 2023-24 and will be servicing all the statutory dues in the next financial year.</p>

	applicable have not been regularly deposited with the appropriate authorities. For details Refer Note no. 39 of the financial statements.													
f.	<p>Observation pursuant to the Companies (Auditors Report) Order, 2020</p> <p>According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute except following:</p> <table border="1"> <thead> <tr> <th>Name of the statute</th> <th>Amount (in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Value Added Tax, Karnataka</td> <td>6.01 and 12.75</td> </tr> <tr> <td>The Employees' Provident Funds and Miscellaneous Provisions Act, 1952</td> <td>26.85, 10.88 & 34.64</td> </tr> <tr> <td>Professional Tax, Karnataka</td> <td>0.60</td> </tr> <tr> <td>Income Tax Act, 1961</td> <td>11.20</td> </tr> <tr> <td>Income Tax Act, 1961</td> <td>123.97</td> </tr> </tbody> </table>	Name of the statute	Amount (in Lacs)	Value Added Tax, Karnataka	6.01 and 12.75	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	26.85, 10.88 & 34.64	Professional Tax, Karnataka	0.60	Income Tax Act, 1961	11.20	Income Tax Act, 1961	123.97	The company has paid a sum of INR 3.42 Lakhs, INR 1.39 Lakhs and INR 3.47 against PF, TDS & VAT respectively in FY 2023-24 and will be servicing all the statutory dues in the next financial year.
Name of the statute	Amount (in Lacs)													
Value Added Tax, Karnataka	6.01 and 12.75													
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Professional Tax, Karnataka	0.60													
Income Tax Act, 1961	11.20													
Income Tax Act, 1961	123.97													

31. Secretarial Auditor:

As required under Section 204 of the Companies Act, 2013 and Rules there under, the Board appointed Mr. Mehul Jain, Practicing Company Secretary, (Membership No. 65749, Certificate of Practice No.: 26136) as Secretarial Auditor of the Company for financial year 2023-2024. The Secretarial Audit Report issued by M/s. Mehul Jain for the financial year 2023-24 in Form MR-3 forms part of this report and marked as Annexure IV. The reply from the Board on the remarks/ qualifications of the Secretarial Auditors is as under:

Sl. No.	Secretarial Auditors' Remarks/ Observations	Management Reply
a.	The Company has delayed in submitting the shareholding pattern of the company for the quarter ended June 30, 2023 to the Bombay Stock Exchange (BSE) pursuant to Regulation 31 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.
b.	The Company delayed in submitting the Reconciliation of hare capital Audit Report of the Company for the quarter ended June 30, 2023 to the BSE pursuant to Regulation 76(1) of the Securities and Exchange Board of India	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.

	(Depositories and Participants) Regulations, 2018 (as amended from time to time).	
c.	The Company has delayed in uploading the Compliance Certificate for Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).	The delay was due the SDD Software failure, the same was noted and the board has undertaken to be fully compliant with the necessary laws in the future
d.	The Company has not filed the reporting of annual return on Foreign Liabilities and Assets (FLA) for the Financial Year (FY) 2020-2021, FY 2021-22, FY 2022-23 FY 2023-24 as required under the Foreign Exchange Management Act, 1999 even though it has foreign / non-resident shareholding.	The Company has initiated the process of filing the FLA required under the Foreign Exchange Management Act, 1999 and the delay will be rectified shortly.
e.	The Company has failed to file Form MSME Form I with the Registrar of Companies pursuant to Order 2 and 3 dated 22 January, 2019 issued under Section 405 of the Companies Act, 2013 even though the company has outstanding payments to Micro or Small Enterprises.	The management has noted this error and take necessary steps to rectify the same.
f.	We have not received the signed copies of Minutes of the Meetings along with the attendance register and notice of the Board of Directors of the Company, the committees meetings and Shareholders meetings.	The same was in place signed but we were not able to produce the same due to internal restructuring.
g.	We have not received the declaration from independent directors of the company about their independence and qualification pursuant to the provision of Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The same was in place signed but we were not able to produce the same due to internal restructuring.
h.	The Company has delayed the payment of Annual Listing fee to BSE.	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.
i.	The Company has delayed the payment of annual fees to National Securities Depositories Limited and Central depository Services Limited	The Management has noted about the delay and has undertaken that the same shall be taken care of in the future.

32. Internal Auditors:

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, and on the basis of the recommendation of Audit Committee, M/s Nagaraj & Ajith, Chartered Accountants (FRN: 010986S) (formerly known as M/s. Mahesh & Nagaraj Chartered Accountants) continue to act as the Internal Auditors of the Company for the financial year 2023- 2024.

The report of the internal Auditor of the company is available on the website of the company at <https://starcominfotech.com/>

33. Cost Records and Cost Audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

34. Related Party Transactions:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including transactions entered at arm's length under third proviso, in prescribed Form No. AOC -2, is appended as Annexure V to the Directors' Report.

35. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as prescribed under Sub-Section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is attached as Annexure VI.

36. Research & Development Activities:

The Management of your Company has been committed to building a strong R&D culture from day one and has set clear R&D goals. In order to achieve these goals, the Company has focused on furthering the efficacies of R&D activities as well as building synergies among multiple-impact technologies.

37. Secretarial Standards:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

38. Subsidiaries, Joint Ventures & Associates:

The Company did not have any Subsidiary Company/Joint Venture/Associate Company during the year under review.

39. Reporting of Fraud by Auditors:

During the year under review, the Statutory Auditors have not reported under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

40. Risk Management:

The Company's robust risk management framework identifies and evaluates all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, legal, regulatory, reputational and other risks. The Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions.

Risk management is an integral part of our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

The Board is in process of revamping its risk management policy to make it more in line with the future plans of the company.

41. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year:

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016.

42. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

There are no difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

43. Green Initiative:

Electronic copies of the Annual Report 2023-24 and the Notice of the AGM are sent to all the members whose email addresses are registered with the Company.

44. General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iii. Issue of sweat equity shares.
- iv. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013).
- v. Explanation for deviation in use proceeds of public issue, rights issue, preferential issue etc.

Further the Company is following the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

45. Acknowledgements:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from Financial Institutions, Government Authorities, customers, vendors, members and all stakeholders of the Company during the year under review.

Further, your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

Furthermore, your Directors wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Place: Bengaluru
Date: 6th September 2024

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

Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

ANNEXURE – I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS OVERVIEW

The Company is a public limited company incorporated and domiciled in India and with its registered office at Bangalore, Karnataka, India. The Company has its primary listings on BSE Limited. The growth momentum of the Company has again picked up though the performance of the Company has been adversely affected owing to Covid restrictions. The company continues to attract top talent and win new customers and strengthen existing customer relationships. The Company is aspiring to be an eminent global IP driven solution provider in the MDM, Data quality, Business Intelligence and Data Analytics space.

MISSION

Our mission is to enable every organization to realize the power of their data with trust and speed. The suite of products from Starcom integrates data and applications in real time across cloud and big data environments, as well as traditional systems, allowing organizations to develop a unified view of their business and customers across organizational and technology silos. We are a key enabler of the data-driven enterprise where data is a strategic asset powering business.

Our flagship platform Star360 allows customers in any industry to improve business performance by using their data to create new insights and to automate business processes. Our customers rely on our software to better understand their customers to improve their sales, services and compliance. The amount of data available for decision making is increasing dramatically, and the technology to analyze and act on that data is becoming more capable and ubiquitous. The growing capabilities of cloud data warehouses have created a powerful and easy-to-use alternative to on-premise infrastructure that is accelerating the shift of data to the cloud and expanding the availability of big data and machine learning technologies to organizations of all sizes. At the same time, the increasing pace of business is driving the need for more real-time data processing and the need to make data-driven decisions throughout organizations, creating demand for self-service business and analytical applications. Data infrastructure has begun to shift to cloud platforms to enhance agility, elasticity, scalability, and time-to-value. As a result, organizations require agile, real-time data integration and integrity solutions that support their evolving needs.

Starcom products Star360, StarDQ and Star BI provide a comprehensive, flexible solution to address IT integration needs across industries. It works seamlessly across on-premise and cloud

environments to connect both traditional and big data environments. Organizations can quickly integrate all forms of data across systems and applications at scale, with significantly improved performance and lower total cost of ownership than traditional data integration approaches. Star360 interoperates and natively integrates with cloud data platforms such as Amazon AWS and Microsoft Azure, while including extensive support for cloud data warehouses such as Amazon Redshift, Microsoft Azure Data Warehouse.

Our flexible architecture enables us to rapidly adopt new technologies as they emerge and support evolving cloud environments so that our customers can maximize the value of their data investments. Our technology allows our customers to manage both batch and real-time data processing and incorporate machine learning to leverage data for the automation of operational workflows. Our flexible cloud architecture allows organizations to operate in a cloud-based environment, in their on-premise datacenter, in private clouds, or in any hybrid combination.

We are in the early stages of four disruptive trends that are reshaping the IT industry: The amount & availability of increasing data; adoption to Cloud & Big data technologies; and change in buying behavior are creating an increasing number of new opportunities for organizations to be data driven. It is now, more than ever, critical for organizations to have an IT strategy that enables them to leverage data to support their business initiatives. To do this, IT teams must be able to work with new data platforms and fluidly address high volume, IoT, Artificial Intelligence, Machine Learning initiatives with self-service and real-time scenarios.

PRODUCTS

Starcom Information Technology Limited is a leader for Automated data management and Customer 360 platform which includes **Customer 360°, Data Quality, Business Intelligence & Data Analytics** Products and Services.

STAR360° An Interactive UI driven Self Service Customer 360 automated platform, serves as single point of contact for front-end Digital systems, CRM Systems, Business Intelligence, Call Center, Bots and Mobile Apps to deliver the comprehensive 360° view of the Customer. **Star360** platform has an embedded **StarDQ** to perform Data Quality activities such as Cleansing, Enrichment, Deduplication etc.

Star 360 features:

- Sourcing data from multiple databases pertaining to various LOB's running in silos.

- Manages the Cleansing, Standardization and Enrichment of data before homogenizing the same with a common reference database, based on fixed and custom rules
- De-Duplicates the Customer records sourced from multiple silos & produces a refined database repository which is 'single source of truth' for all Customer related queries.
- Collates the connected data pertaining to Customers into the same database repository to make it as single point of reference about the associated relationships for the selected Customer.
- Offers Source to Target Visual Data Reconciliation.
- Offers UI based monitoring control panel to manage the internal processes with suitable reports and dashboards coupled with alerts and notifications.

STAR[★]DQ A powerful, real time automated enterprise solution for Data Cleansing, De- duping, Clustering and enriching the data. **StarDQ** has processed more than 1 Billion Customer Records, **StarDQ** is a completely **Automated Data Quality** engine which embeds into the customer's existing business workflow and eliminates the need for any manual data quality teams and services.

With our Architecture customers can run the complete **cleansing, enrichment and de- dupe** process in 2-3 hours on daily incremental data sets with 10 Million historical records. Traditionally this activity would take days if not months for multiple data sets across various sources. The engine works on **Scheduling** basis and is timed to run every day after the working hours so that incremental data coming in daily gets de- duped with Historical Data and clustered during the night. **StarDQ** can implement specific Business Rules for each Dataset. The scalable architecture is the key feature of the product which easily handles millions of records and maintains the batch timings. The online verification module allows business users to access the **Golden Records** to get the credentials (unique/Duplicate) of the new record being created in the business system on a real-time basis.

Data Steward Module:

StarDQ engine provides enriched data and more accurate de-duplication results most of the time. If the input records don't meet the minimum criteria as per business rules, then those records get flagged as '**erroneous**' and will be not considered for de-duplication process. These 'erroneous' records require manual intervention/ corrections [by means of Data Stewardship] to form better/meaningful clusters and standardization.

Data Steward Tool has two activities:

- Manual Data correction /enrichment for failure cases/erroneous records
- Manually correct any specific instances of wrong de-duplication/ clustering

STAR[★]BI Self Service business intelligence software empowers business users by turning data into actionable insights and enable organizations to improve their decision making. **StarBI**, an intelligent self-service Business Intelligence tool, allows you to **discover trends, track KPIs and visualize data**. Connect to multiple data sources, create and schedule reports & dashboards, set alerts and run **predictive analytics** with our **drag-and-drop GUI** in less than 10 clicks!

NISA In Computer Aided Engineering (CAE)/Finite Element Analysis (FEA) industry, we have NISA. Which is one of the most comprehensive Finite Element Analysis suites available globally. NISA features a completely integrated pre/post-processing environment within a state-of-the-art GUI, seamless interoperability with leading commercial CAD software Computer Aided Engineering (CAE)/Finite Element Analysis (FEA) industry is a huge market globally, growing consistently across application areas and requirements, which is projected to grow consistently into the predictable future as well.

NISA Software Suite for FEA, has the potential to tap into this market by offering fast and accurate solutions in the areas of its core competency. NISA is one of the few, commercially available, mature and robust Finite Element Analysis (FEA) software that enjoys a long-standing presence in the arena of engineering analysis and design. NISA addresses the needs of varied industries like Aerospace, Automotive, Power and Energy, Oil and Gas, Marine Engineering, Sports goods, Electronic Packaging, Biomedical and Civil-Structural Engineering to name a few.

With NISA we can spread our Customer base to all corners of the Globe, specially with our flagship modules like NISA Mechanical, NISA Civil & NISA Design Studio.

DEFENCE The Defence Research & Development Organization (DRDO), India's premier defence research organization, has over 50 laboratories under its aegis. Defence and Aerospace remains a critical sector for India – and for the success of key Government schemes like Make in India. With its mighty Defence industrial base, staggering Defence budget, we have found our sweet spot for growing our revenues. Our company has been a registered MSME vendor, serving 20 of the DRDO's with more than 100 successful projects in the past many years.

We have contributed successfully in key projects such as the Long Range Surface to Air Missile (LRSAM), the Astra Beyond Visual Range Missile (BVRM), Airborne Early Warning and Control System (AEW&CS) and the Rustom-II Unmanned Ariel Vehicle & Tejas, Advanced Light Combat. The Indian government has set the defence production target at US\$ 25 billion by 2025 (including US\$ 5 billion from exports by 2025). Accordingly, we have a big pipeline of upcoming projects limited only by our capacity to execute.

Opportunities & threats- Our Strengths:

We believe our Solutions address the markets for Automation, Master Data Management, which IDC estimates combined were \$17 billion in 2016 and are forecasted to reach \$23 billion in 2020. IDC forecasts the data integration and integrity market to grow from \$6.0 billion in 2017 to \$9.8 billion in 2022. We believe that these markets will further expand as a portion of spend on hand-coded integrations will transition to software-based integration solutions given the time consuming and expensive process of manual integrations coupled with the scarcity of personnel with the requisite technical skills. The transformative change in IT infrastructure is driving a dramatic shift to cloud platforms to address infrastructure and data warehousing needs. This is

driving rapid growth in cloud integration. According to IDC, the market for Cloud Data Integration and Integrity Software is forecast to reach \$2.3 billion by 2022, representing a 30% CAGR from 2018. Our Star360 Platform is offered as both a SaaS or premise offering, and works seamlessly across a customer's on-premise, cloud and hybrid environments to integrate data in real time from both traditional and big data environments. We enable organizations to unlock the value of their data to create real-time, predictive insights. Customers can use a single design environment to create intelligent data flows with machine learning algorithms that can process both batch and real-time streaming data to automate the delivery of insights.

Marketing

Our Marketing Team is responsible for increasing the awareness of Starcom Solutions, fostering the MDM community, generating demand, gathering market feedback and enabling our field sales team to effectively sell our solution. Free trial editions of our products are key drivers of awareness and initial usage. When deciding whether to purchase our Solutions, our customers primarily learn from white papers, webinars and third-party research before engaging with our sales team. It is a key mission of the marketing team to support and accelerate this learning process. The marketing team includes the following functions: SEO, Lead Generation, marketing communications, field marketing and product management .

Sales

We sell our software and services through both a direct sales force and indirect channel partners globally. We also offer our StarBI via a self-service e-commerce platform which typically does not require the involvement of sales personnel or partners. Our sales efforts are built on a land-and-expand sales model. To facilitate market adoption, we offer a free trial version of our products and these downloads become leads for our marketing and sales organization to develop and close. After an initial deployment, organizations often purchase more products, add licenses or expand usage to additional modules from Starcom Solutions. We sell our apps to organizations of all sizes and the majority of our sales are through our direct sales force. Our direct sales force includes an inside sales team which is closely aligned with a Field sales team. Post-sale, our customers are managed by a dedicated customer success team. Our customer success team is responsible for driving successful deployments, maintaining customer relationships, renewing existing contracts and identifying expansion opportunities within existing customers.

OUR STRATEGY

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while generating profitable growth for our investors. In order to do this, we will apply the priorities of 'renew' and 'new' to our own business and cascade it to everything we do.

Our Business strategy is based on a "land and expand" business model and is designed to capitalize on the ease of use, low up-front cost and collaborative capabilities of our software. To facilitate rapid adoption of our products, we provide fully-functional free trial versions of our products on our website and have created a Flexible and Simple Annual Subscription pricing

model. After an initial trial or purchase, which is often made to target a specific business need at a grassroots level within an organization, the use of our products often spreads across departments, divisions, and geographies, via word-of-mouth, discovery of new use cases, and our sales efforts.

Our Growth Strategy - Key drivers:

- Maintain our technology leadership.
- Grow our customer base.
- Expand our ecosystem of partners.
- Continue to grow globally.

OUR COMPETITION

We experience competition in solution delivery and see a rapidly-changing marketplace with new competitors arising in new technologies who are focused on agility, flexibility and innovation. We typically compete with other technology solution providers in response to requests for proposals. Clients often cite our industry expertise, comprehensive end-to-end solutions, ability to scale, superior quality and process execution, Global Delivery Model, experienced management team, talented professionals and track record as reasons for awarding us contracts.

1. Segment-wise Performance:

The segment-wise performance of the Company during the year is given below:

Particulars	Year ended 31 st March 2024 (Amt in Lacs)
A. Segment Revenue	
1. Test, Measurement & Embedded Solutions for Educational Sector	155.84
2. Data Quality ,Statistical & Analytics Software	23.98
Total Revenue	179.82
B. Segment Results	
1. Test, Measurement & Embedded Solutions for Educational Sector	24.67
2. Data Quality ,Statistical & Analytics Software	14.38
Total	39.06
Less: Finance Charges	54.05
Unallocable Expenditure	391.12
Add: Exceptional Item	
Total Profit Before Tax	(637.10)
Less: Tax Expenditure	131.49
Total Profit After Tax	(768.6)
C. Capital Employed	

1. Test, Measurement & Embedded Solutions for Educational Sector	98.42
2. Data Quality ,Statistical & Analytics Software	2729.73
3. Unallocated	67.82
Total Capital Employed	2,895.99

2. Outlook:

In order to meet the changing market realities, our Company has been following the philosophy of providing the highest quality products and solutions at the lowest possible prices.

All endeavors are made to achieve possible cost reduction in every area of operations.

Our Company's philosophy is to provide high class quality products i.e. full value for money to consumers; this would greatly benefit in the long run.

Our Company believes in building and maintaining deep customer relationships and become a trusted business partner to global enterprises.

3. Risks and concerns:

The Company has been initiating various risk management programs to combat strategic, operational and financial as well as compliance-related risks across various levels of the organization. It includes risk assessment and mitigation at the company level, business / functional unit level, relationship level and project level. The risk management process is continuously improved and adapted to the changing global risk scenario. The agility of the risk management process is monitored and reviewed for appropriateness with the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event driven as well as quarterly basis.

4. Internal Control systems and their adequacy:

The Company maintains adequate internal control system, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against significant misuse or loss of Company's assets.

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. However, the Company is taking the necessary steps to improvise the documentation with respect to the specific policies and procedures and the IT Controls pertaining to internal financial controls over financial reporting.

5. Discussion on financial performance with respect to operational performance: Financial performance:

Particulars	2023-24 (Amount in Rs.)	2022-23 (Amount in Rs.)	Change (%)
Revenue from operations (1)	179.82	201.67	(10.83)
Other income (2)	0.17	0.33	(48.48)
Sub-total (1+2)	179.99	202.01	(10.90)
Total Expenditure	817.10	755.99	8.08
Profit/(Loss) before Tax	(637.11)	(553.98)	15.03
Profit/ (Loss) after Tax	(768.60)	(524.30)	46.59

There has been decrease of in the revenues of the Company as compared to the previous year by (10.83%). The total expenses got marginally increased by 8.08% from Rs.755.99 Lakhs in the previous year to Rs.817.10 Lakhs in the current year. However, the other income of the Company has reduced by (48.48%). During the current financial year the Company has recorded Loss after tax of Rs.(768.60) Lakhs as compared to the Loss after tax of Rs. (524.30) Lakhs in the previous year. The Company is expected to earn profits in the coming years.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Details of significant changes in key financial ratios are given as under:

SI No.	Particulars	2023-24	2022-23	Variation (%)
i.	Debtors Turnover	0.44	0.33	33.33
ii.	Inventory Turnover	22.39	22.08	1.40
iii.	Current Ratio	0.07	0.13	(46.15)
iv.	Debt Equity Ratio	(1.13)	(1.82)	37.91
v.	Operating Profit Margin	(198.26)	(228.94)	13.40
vi.	Net Profit Margin	(427.42)	(259.54)	(64.68)
vii.	Return on Net worth	(40.87)	(47.27)	(13.53)

Reason for change in 25% or more in key financial ratios as compared to the immediately previous financial year:

- i. **Debtors Turnover Ratio:** During the year under review, the Debtors Turnover ratio increased mainly due to increase in collections and maintaining credit policies.
- ii. **Current Ratio:** Decline in ratio is on account decrease in Trade Receivables and increase in short term borrowings
- iii. **Debt Equity Ratio:** Sharp decrease on account of increase in borrowing & increase in Loss
- iv. **Net Profit Margin:** The reduction in margin is due to decline in sales and provision for expected credit loss

6. Material developments in Human Resources/ Industrial Relations front:

In any services enterprise, employees form the core of an organization. We recognize the vitality of this stakeholder. A significant portion of our management focus is invested in engaging with our employees and improvement of services to the client's satisfaction.

During the year the Company has not reported any Management-Employee conflict. The Company is committed to create an appropriate climate, opportunities and systems to facilitate identification, development and utilization of employees' full potential on a continuous basis.

Number of employees:

There were 27 (including KMP) permanent employees on the rolls of the Company as on 31st March 2024.

Cautionary Statement:

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on, whether express or implied. Several factors could make a significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control. 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.

Place: Bengaluru
Date: 6th September 2024

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

Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

ANNEXURE – II

DETAILS OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL (pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

The median remuneration of employees of the Company during the Financial Year 2023-24 was INR 6,50,000/-. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 will be zero as no remuneration is paid to the Directors.

B. The percentage increase in remuneration of each Director and KMP, in the financial year:

During the Financial Year Mr. Joydeep Sarkar, Company Secretary and Compliance officer of the Company has been paid INR 3,60,000/- as remuneration, further no remuneration is paid to the Directors & CFO of the Company.

C. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year 2023-24, there was an increase of 4.92% in the median remuneration of employees.

D. The number of permanent employees on the rolls of Company:

There were 27 (including KMP) permanent employees on the rolls of the Company as on 31st March 2024.

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof:

Average percentile increase made in the salaries of employees other than the managerial personnel in the last Financial Year was 5.1% whereas no remuneration is paid to the Directors of the Company. This is based on the Nomination & Remuneration policy of the company that rewards people differentially based on their contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of.

F.Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

Place: Bengaluru
Date: 6th September 2024

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

Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

ANNEXURE – III**STATEMENT OF PARTICULARS OF EMPLOYEES**

pursuant to the companies (Appointment and Remuneration of Managerial Personnel)
Rules, 2014

SL. No.	-	-
Name	-	-
Designation	-	-
Remuneration Received (in INR)	-	-
Qualification	-	-
Experience in Years	-	-
Age in Years	-	-
Commencement of employment	-	-
Last employment held	-	-

None of the employees earned salary more than the prescribed amount during the year.

**Place: Bengaluru
Date: 6th September 2024**

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

**Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098**

ANNEXURE IV

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

For the Financial year ended 31st March 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Starcom Information Technology Limited
(CIN: L67120KA1995PLC078846)
73/1, Sheriff Centre, 5th Floor,
St. Marks Road, Bangalore - 560001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Starcom Information Technology Limited** (CIN: L67120KA1995PLC078846) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company to the extent provided to me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Starcom Information Technology Limited ("the Company") for the financial year ended on 31st March 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there was no reportable event during the Financial Year under review.**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not Applicable to the Company during the Audit period as the Company has not issued any new securities;**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not Applicable to the Company during the Audit period as the Company has not issued any ESOP/ESPS;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not Applicable to the Company during the Audit period as delisting of securities did not take place;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit period as the Company has not bought back its securities**); and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. Other laws applicable specifically to the Company namely:

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India; with respect to the Board Meetings and General Meetings.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In respect of other laws specifically applicable to the Company, I have relied upon information produced by the Company during the course of my audit and the reporting is limited to that extent.

Further a detailed verification of the applicable laws was not conducted due to non-availability of the necessary information.

Note: Regulations 17, 17A, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company as the paid up equity share capital of the Company does not exceed INR 10 Crore and net worth does not exceed INR 25 Crore, as on the last day of the previous financial year.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- A. The Company has delayed in submitting the shareholding pattern of the company for the quarter ended June 30, 2023 to the Bombay Stock Exchange (BSE) pursuant to Regulation

31 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

- B. The Company delayed in submitting the Reconciliation of share capital Audit Report of the Company for the quarter ended June 30, 2023 to the BSE pursuant to Regulation 76(1) of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (as amended from time to time).
- C. The Company has delayed in uploading the Compliance Certificate for Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).
- D. The Company has not filed the reporting of annual return on Foreign Liabilities and Assets (FLA) for the Financial Year (FY) 2020-2021, FY 2021-22, FY 2022-23 FY 2023-24 as required under the Foreign Exchange Management Act, 1999 even though it has foreign / non-resident shareholding.
- E. The Company has failed to file Form MSME Form I with the Registrar of Companies pursuant to Order 2 and 3 dated 22 January, 2019 issued under Section 405 of the Companies Act, 2013 even though the company has outstanding payments to Micro or Small Enterprises.
- F. We have not received the signed copies of Minutes of the Meetings along with the attendance register and notice of the Board of Directors of the Company, the committees meetings and Shareholders meetings.
- G. We have not received the declaration from independent directors of the company about their independence and qualification pursuant to the provision of Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- H. The Company has delayed the payment of Annual Listing fee to BSE.
- I. The Company has delayed the payment of annual fees to National Securities Depositories Limited and Central depository Services Limited.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including Women Directors.
- The Company is advised to restructure and broad base the Board for better corporate governance practices.
- I was given to understand that majority decision is carried through in the Board and its committee meetings while the dissenting members' views are captured and recorded as part of the minutes. However we have not noticed any dissenting views as per the minutes.
 - The Company needs to strengthen its systems and processes to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 - Evidence has not been produced that adequate notice is given to all directors to schedule the Board Meetings, agendas were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting. Further, detailed notes on agenda items have not been sent always. The Company is advised to comply with the Secretarial Standards issued by the Institute of Company Secretaries of India in letter and spirit.

I further report that during the audit period, there were no instances of:

- i. Public/Rights/Bonus/Preferential issue of shares/debentures/sweat equity.
- ii. Redemption/buy-back of securities.
- iii. Merger/amalgamation/reconstruction etc.
- iv. Foreign technical collaborations.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Thank you,

Mehul Jain
Company Secretary in Practice
COP. No.: 26136
Membership No.: A65749
PR No.: 3306/2023

Date: 4th September 2024
Place: Bengaluru

UDIN: A065749F001130703

Annexure A

To,
The Members,
Starcom Information Technology Limited
(CIN: L67120KA1995PLC078846)
73/1, Sheriff Centre, 5th Floor,
St. Marks Road, Bangalore - 560001

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Thank you,

Mehul Jain
Company Secretary in Practice
COP. No.: 26136
Membership No.: A65749
PR No.: 3306/2023

Date: 4th September 2024
Place: Bengaluru

UDIN: A065749F001130703

ANNEXURE V**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto –

**1. Details of contracts or arrangements of transactions not at arm's length basis:
NIL**

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions
- c. Duration of the contracts/arrangements/transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Justification for entering into such contracts or arrangements or transactions
- f. Date(s) of approval by the Board
- g. Amount paid as advances, if any:
- h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangements or transaction at arm's length basis:

Sl. No.	Particulars	1
1.	Name(s) of the related party and nature of relationship	Joydeep Sarkar Company Secretary and Compliance officer
2.	Nature of contracts/ arrangements/ transactions	Salary
3.	Duration of the contracts/ arrangements/ transactions	Annual
4.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Nil
5.	Date(s) of approval by the Board	30.05.2023
6.	Amount paid as advance, if any	Nil

**Place: Bengaluru
Date: 6th September 2024**

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

**Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098**

ANNEXURE VI

1. Conservation of Energy:

- a. The steps taken or impact on conservation of energy;

Your Company is in service industry and not having manufacturing activity. The Company is not covered under the list of specified industries. However, the Company on continuous basis takes measures for conservation of power.

- b. The steps taken by the Company for utilizing alternate sources of energy:

The Company is using electricity as main source of its energy requirement and does not have any alternate source of energy.

- c. The capital investment on energy conservation equipment:

Not Applicable

2. Technology Absorption:

- a. Efforts taken to absorb technology:

The Company evaluates the best available technology for improving its performance and quality of its service operations.

- b. The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has not absorbed/made any new technology during the year.

- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology has been imported by the Company.

- d. The expenditure incurred on Research and Development:

Nil

3. Foreign Exchange Earning and Outgo:

The information relating to the total foreign exchange used and earned by the Company is given below:

Particulars	2023-24 (in INR)	2022-23 (in INR)
Foreign Exchange inflow	-	-
Foreign Exchange outflow	-	-

Place: Bengaluru
Date: 6th September 2024

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

Ziaulla Sheriff
Chairman and Managing Director
DIN: 00002098

INDEPENDENT AUDITOR'S REPORT

To the Members of Starcom Information Technology Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of **Starcom Information Technology Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March 2024, and notes to financial statements a summary of material accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2024, the loss (Financial performance including other comprehensive income), its cash flows and changes in equity for the year ended 31st March 2024.

Basis for Qualified Opinion

- a. *As stated in Note No. 39 of the accompanying financial statements, The Company have an overdue statutory dues as on 31st March 2024 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 269.47 lacs (including interest of Rs. 163.03 lacs), Provident Fund / ESIC / Professional Tax of Rs. 243.81 lacs (including interest of Rs. 129.97 lacs) and Tax Deducted at Source or Rs. 909.94 lacs (including interest of Rs. 467.77 lacs). Though the Company has provided for interest up to 31st March 2024 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. Accordingly, we are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*
- b. *As stated in Note No. 40 of the accompanying financial statements, the Company has not provided rent for the year ended 31st March 2024 amounting to Rs. 113.84 lacs 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 utilized in intangible assets under development. Had these expenses have been recognized by the Company, Rent expense, loss for the year would have been higher by*

Rs. 113.84 lacs and liabilities and debit balance of other equity would have been higher by Rs.569.20 lacs as at 31st March 2024.

- c. *Attention is invited to Note No. 42 of the accompanying financial statements, in respect of Intangible Assets under Development amounting to Rs. 2431.02 lacs which has not been completed since long time. In the absence of appropriate audit evidence, we are unable to comment whether it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and impairment loss if any in respect of the same. Accordingly, we are unable to comment upon the resultant effect of same on the Assets, Liability and Loss of the company.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

Attention is invited to Note No. 43 of the accompanying financial statements which indicate that the company has incurred cash losses, and its net worth is fully eroded. Further the Company's Current liabilities exceed its current assets as at the date of the Balance sheet. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the company has prepared its financials on going concern basis, as the Management is pursuing prospective investors to meet its working capital requirements and is of the opinion that the operations of the Company will make profits in future.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the course of our audit, we have determined that there are no key audit matters to be communicated in our report *except for the matters prescribed in Basis of Qualified Opinion & Material Uncertainty Related to Going Concern section.*

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report, annexure to board report and report on corporate governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with IndAS and accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably

knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) *Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of accounts as required by law have been kept by the Company so as far as it appears from our examination of those books.*
 - c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) *Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with*

the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) *The matters described under the 'Basis for Qualified Opinion' paragraph and the 'Material Uncertainty Related to Going Concern' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
- f) *In the absence of written representations received from the directors as on March 31, 2024, we are unable to comment whether none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of subsection 2 of Section 164 of the Act.*
- g) *The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.*
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed pending litigation in its financial statements (Refer note no. 33).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company is not required to transfer any amounts as required by the law to Investor Education and Protection Fund
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have

been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. Based on our examination, which include test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction recorded in software. Further during our audit, we did not come across any instances of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

- vi. In our opinion and according to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration, accordingly the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.

- 3. Since The Company has not declared / paid any dividend during the year, Section 123 of the Act is not applicable.

For C A S & Co.

Chartered Accountants

Firm's Reg. No. 111075W

Sajjan Kanodiafea

Partner

Membership No. 048047

UDIN:24048047BKDHJF1091

Place: Mumbai

Date: May 30, 2024

Annexure "A" to Independent Auditor's Report

Annexure referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date to the members of Starcom Information Technology Limited ("the Company") on the Financial Statements for the year ended 31st March 2024.

As required by the Companies (Auditors Report) Order, 2020 and according to the information and explanations given to us during the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- i)
 - a) A) The company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and equipment.
 - B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) As explained to us, the Property, Plant and equipment 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 its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable, and no discrepancies have been noticed on such physical verification.
 - c) Since the Company does not hold any Immovable Property, clause 3(i)(c) of the Order is not applicable.
 - d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
 - e) According to information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
 - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- iii) According to the information explanation provided to us, during the year the Company has not made any investments in, and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Hence paragraph 3 (iii) (a), (b), (c), (d), (e) and (f) of the said Order are not applicable to the Company.

- vi) In our opinion and according to the information and explanation given to us, section 185 and 186 of the Companies Act, 2013 is not applicable, since the Company does not have any loans, investments, guarantees or security.

- v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under

- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company

- vii) a) Accordingly, to the records of the Company, amount deducted/accrued in the books of accounts in respect of the undisputed statutory dues including Provident fund, Employee's State Insurance, Income tax, Goods and Services tax, Duty of Customs, Cess and other Statutory Dues wherever applicable have not been regularly deposited with the appropriate authorities. *For details Refer Note no. 39 of the financial statements.*

- b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute *except following:*

Name of the statute	Nature of dues`	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Value Added Tax, Karnataka	Value Added Tax	6.01	FY 2015-16	Assistant Commissioner
		12.75	FY 2016-17	
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	26.85	FY 2013-2016	Assistant PF Commissioner
	Provident Fund	10.88		
	Penal Damages	34.64		
Professional Tax, Karnataka	Penal charges on Professional tax	0.60	2017-18 to 2020-21	Professional Tax Officer
Income Tax Act, 1961	Tax Deducted at Source	11.20	2012-13 to 2020-21	Central processing center
Income Tax Act, 1961	Income Tax	123.97	AY 2018-19	Income tax appeal

- viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix) a) Loan amounting to Rs. 2011.26 Lakh and interest thereon of Rs. 120.12 Lakh are repayable on demand and term and conditions for payment of Loan and interest thereon have not been stipulated. According to the information and explanations given to us, such loan and interest thereon have not been demanded for repayment during the year
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans during the year. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-

term purposes by the company.

- e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to information and explanations provided to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x)
 - a) The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable to the Company.
 - b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi)
 - a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
 - b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2024, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
 - c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii) The Company is not a Nidhi Company. Accordingly, paragraph 3 clause (xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18 'Related Party Disclosures' specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

- xiv) a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We were unable to obtain of the internal audit reports of the company, hence the internal audit reports have not been considered by us.
- xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year under review. Accordingly, provisions of section 192 of Companies Act under this clause is not applicable.
- xvi) a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order is not applicable to the Company
- c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii) The Company has incurred cash losses in the financial year and in the immediately preceding financial year amounting to Rs. 384.60 lakhs and Rs. 425.31 lakhs.
- xviii) According to the information and explanation given to us and based on our examination of the records of the Company there is no resignation of the statutory auditors has been taken during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an

assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) Section 135 of Companies Act, 2013 is not applicable to company. Hence reporting under clause 3(xx) of the Order is not applicable.

- xxi) According to the information and explanations given to us, the Company does not have any subsidiary / Associate/ Joint Venture. Accordingly, there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

For C A S & Co.

Chartered Accountants

Firm's Reg. No. 111075W

Sajjan Kanodia

Partner

Membership No. 048047

UDIN:

24048047BKDHJF1091

Place: Mumbai

Date: May 30, 2024

Annexure “B” to the Independent Auditor’s Report of even date on the financial statements of Starcom Information Technology Limited for the year ended 31st March 2024.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Starcom Information Technology Limited (“the Company”) as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31st March, 2024:

The documentation in respect of specific policies and procedures and the IT Controls pertaining to internal financial controls over financial reporting are not adequate and needs to be further strengthened.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effect of the material weakness described above on the achievement of the objectives of the control Criteria , the Company has maintained , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and audit tests applied in our audit of the financial statements of the Company and these material weaknesses above does not affect our opinion on the financial statements of the Company.

For C A S & Co

Chartered Accountants

Firm Registration No. 111075W

Sajjan Kanodia

Partner

Membership No. 048047

UDIN: 24048047BKDHJF1091

Date: May 30, 2024

Place: Mumbai

Starcom Information Technology Limited
Balance Sheet as at 31st March 2024

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31,
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	8.93	9.88
Intangible Assets	4	109.75	152.00
Intangible Assets Under Development	4	2,431.03	2,431.03
<u>Financial Assets</u>			
Others Financial Assets	5	3.05	3.74
Deferred Tax Assets (Net)	6	-	131.49
Other Non - current assets	7	10.88	10.88
Income Tax Assets	8	20.55	18.63
		2,584.19	2,757.65
Current assets			
Inventories	9	11.94	4.12
<u>Financial Assets</u>			
Trade receivables	10	259.92	560.12
Cash and cash equivalents	11	12.28	2.78
Bank Balances other than Cash and cash equivalents	12	1.01	1.26
Others Financial Assets	13	14.39	18.33
Other current assets	14	12.28	9.94
		311.82	596.55
TOTAL		2,896.01	3,354.20
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	500.06	500.06
Other Equity	16	(2,380.53)	(1,609.27)
		(1,880.47)	(1,109.21)
LIABILITIES			
Non-current liabilities			
<u>Financial Liabilities</u>			
Borrowings	17	-	-
Provisions	18	54.27	52.36
		54.27	52.36
Current liabilities			
<u>Financial Liabilities</u>			
Borrowings	19	2,131.39	2,023.42
Trade payables	20		
-Total outstanding dues of micro enterprises and small enterprises		129.13	111.57
-Total outstanding dues of creditors other than micro enterprises and small enterprises		728.71	719.08
Other financial Liabilities	21	280.94	240.38
Other current liabilities	22	1,446.62	1,310.69
Provisions	23	5.42	5.91
Total Current liabilities		4,722.21	4,411.05
TOTAL		2,896.01	3,354.20
Summary of material accounting policies and other notes on accounts	1 & 2		
The accompanying notes form an integral part of the financial statements	3 - 46		

As per our report of even date attached

For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors

Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Sajjan Kanodia
Partner
Membership No. : 048047

Mr. Ziaulla Sheriff
Managing Director
(DIN - 00002098)

Mr. Maddur Gundurao Mohankumar
Director
(DIN - 00020029)

Place : Mumbai
Date : May 30, 2024

Mr. Mukhtar Ahmad
Chief Financial Officer
Place : Bengaluru
Date : May 30, 2024

Joydeep Sarkar
Company Secretary

Starcom Information Technology Limited
Statement of Profit and Loss for the year ended 31st March 2024

(Rs . In Lakhs)

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
Income			
Revenue From Operations	24	179.82	201.67
Other Income	25	2.01	11.33
Total Income		181.83	213.00
Expenses			
Purchases of Stock-in-Trade	26	95.50	77.51
Changes in inventories of traded goods	27	(7.82)	1.61
Employee benefits expenses	28	226.53	286.10
Finance costs	29	54.06	49.02
Depreciation and amortisation expenses	30	43.20	43.58
Other expenses	31	407.47	309.15
Total expenses		818.94	766.97
Profit/(Loss) Before Tax		(637.11)	(553.97)
Less : Tax Expenses:			
(1) Current tax		-	-
(2) Deferred tax		131.49	(29.68)
Profit/ (loss) for the year		(768.60)	(524.29)
Other Comprehensive Income/(Loss)			
<u>Items not to be reclassified subsequently to profit or loss</u>			
- Remeasurement of post employment benefit obligation		(3.60)	9.30
- Income tax effect on above		0.94	(2.42)
Other comprehensive income for the year, net of tax		(2.66)	6.88
Total Comprehensive income/(loss) for the year (After tax)		(771.26)	(517.41)
Earnings per equity share:			
Equity shares of Par value of Rs. 10 /-each	32		
Basic		(15.42)	(10.35)
Diluted		(15.42)	(10.35)
Summary of material accounting policies and other notes on accounts			
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached
For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors
Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Sajjan Kanodia
Partner
Membership No. : 048047

Mr. Ziaulla Sherif
Managing Director
(DIN - 00002098)

Mr. Maddur Gundurao Mohankumar
Director
(DIN - 00020029)

Mr. Mukhtar Ahmad
Chief Financial Officer

Joydeep Sarkar
Company Secretary

Place : Mumbai
Date : May 30, 2024

Place : Bengaluru
Date : May 30, 2024

Starcom Information Technology Limited
Cash Flow Statement for the Year ended 31st March 2024

(Rs . In Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	(637.11)	(553.97)
Adjustments for :		
Depreciation & Amortisation Expense	43.20	43.58
Finance Cost	54.06	49.02
Interest income	(0.17)	(0.33)
Remeasurement of defined benefit obligation	(3.60)	9.30
Provision for expected credit loss on trade receivables	209.31	85.08
Operating profit before working capital changes	(334.31)	(367.32)
Adjustments for changes in working capital:		
(Increase) / Decrease in Trade Receivables	90.89	60.42
(Increase) / Decrease in Inventories	(7.82)	1.61
(Increase) / Decrease in Other Assets	2.29	(5.49)
Increase / (Decrease) in Trade Payables	27.20	20.83
Increase / (Decrease) in Other Liabilities	176.49	162.11
Increase / (Decrease) in Provisions	1.43	12.68
Cash generated from / (used in) operations	(43.83)	(115.16)
Income Tax paid	(0.99)	(2.08)
Net cash flow from operating activities (A)	(44.82)	(117.24)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment and intangible assets (including intangibles under development)	-	(0.72)
Maturity and Investment of fixed deposits	0.24	(0.73)
Interest received	0.17	0.33
Net cash flow used in investing activities (B)	0.41	(1.12)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds form Short term Borrowings (Net)	107.97	163.04
Interest Expense	(54.06)	(49.02)
Net cash flow from financing activities (C)	53.91	114.02
Net decrease in cash and cash equivalents (A+B+C)	9.50	(4.34)
Cash and cash equivalents at the beginning of the year	2.78	7.12
Cash and Cash equivalents at the end of the year	12.28	2.78

Note :

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Cash and cash equivalent at the end of the year consists of cash in hand and balances with banks as follows :

(Rs . In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in Current accounts	11.79	2.55
Cash on hand	0.49	0.23
Total Cash & Cash Equivalents	12.28	2.78

Particulars	As at March 31, 2022	Cashflows	Others	As at March 31, 2023
Borrowings - Current	1,860.38	163.04	-	2,023.42

Particulars	As at March 31, 2023	Cashflows	Others	As at March 31, 2024
Borrowings - Current	2,023.42	107.97	-	2,131.39

As per our report of even date attached

For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors
Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Sajjan Kanodia
Partner
Membership No. : 048047

Mr. Ziaulla Sheriff
Managing Director
(DIN - 00002098)

Mr. Maddur Gundurao Mohankumar
Director
(DIN - 00020029)

Place : Mumbai
Date : May 30, 2024

Mr. Mukhtar Ahmad
Chief Financial Officer
Place : Bengaluru

Joydeep Sarkar
Company Secretary
Date : May 30, 2024

Starcom Information Technology Limited
Statement of Changes in Equity for the Year ended March 31, 2024

(Rs. In Lakhs)

EQUITY SHARE CAPITAL

Particulars	Balance as at 01.04.2022	Changes in equity share capital	Balance as at 31.03.2023	Balance as at 01.04.2023	Changes in equity share capital	Balance as at 31.03.2024
Paid up Equity Capital	500.06	-	500.06	500.06	-	500.06

OTHER EQUITY

Particulars	Reserves and surplus	Other comprehensive income	Total equity attributable to equity holders
	Retained Earnings		
Balance as at April 1, 2022	(1,147.87)	56.02	(1,091.85)
Total Comprehensive Income / (Loss)	(524.29)	6.88	(517.41)
Balance as at March 31, 2023	(1,672.16)	62.89	(1,609.27)
Total Comprehensive Income / (Loss)	(768.60)	(2.66)	(771.26)
Balance as at March 31, 2024	(2,440.76)	60.23	(2,380.53)

As per our report of even date attached
For C A S & Co.
Chartered Accountants
Firm Reg. No. 111075W

For and on behalf of the Board of Directors
Starcom Information Technology Limited
CIN : L67120KA1995PLC078846

Sajjan Kanodia
Partner
Membership No. : 048047

Mr. Ziaulla Sheriff
Managing Director
(DIN - 00002098)

Mr. Maddur Gundurao Mohankumar
Director
DIN - 00020029

Place : Mumbai
Date : May 30, 2024

Mr. Mukhtar Ahmad
Chief Financial Officer

Joydeep Sarkar
Company Secretary

Place : Bengaluru
Date : May 30, 2024

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

Note 1 Corporate Information

Starcom Information Technology Limited ("the Company") is a public listed company, domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.. Its shares are listed on two stock exchanges in India (Bombay Stock Exchange and Ahmedabad Stock Exchange). The Company's principal business is to be a global IT driven solution provider in the Business Intelligence, Analytics and Big Data space, focussed on innovative products and services.

The financial statements of the Company for the year ended March 31, 2024 were authorised for issue in accordance with resolution of the Board of Directors on 30th May, 2024.

Note 2 Basis of preparation and presentation of Financial Statements:**i Basis of Preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements

The financial statement has been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

The financial statement has been prepared for the as a going concern on the basis of of relevant Ind AS that are effective at the Company's annual reporting date, 31st March 2024

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Companies Act,2013 ("the Act"). Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions : uncertainties

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below :

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

Impairment of Receivables

The impairment provisions of financial receivables disclosed based on the assumptions about risk of default and expected loss

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Note 3 Material Accounting Policies:

**i Property, Plant and Equipment
 Recognition and Measurement**

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost.

ii Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation and impairment.

Software product development cost are expenses as incurred unless technical and commercial feasibility of project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete or sell the softwares and cost can be measured reliably. The cost which can be capitalised include the cost of material, direct labour and overhead cost that are directly attributable to preparing the assets for intended purpose.

Research cost are expenses as incurred.

Assets acquired but not ready for use are classified under Capital work-in-progress or intangible assets under development, as the case may be.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2016.

iii Depreciation and Amortisation:

Depreciation/ amortisation is provided :

Tangible Assets:

- No depreciation is charged on Freehold Land.
- Leasehold Improvements is amortized equally over the lease term.
- Depreciation on other tangible assets is provided on Written Down value method as per the useful lives of the respective Property, Plant & Equipment in the manner as prescribed by Schedule II of the Act.
- Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

Intangible Assets:

- Intangible Assets are amortised over a period of 10 years on systematic basis.

The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

iv Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets**Initial Recognition**

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

I) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

II) Financial Liabilities**1) Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

v Employee Benefits**(a) Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

(b) Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(c) Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

(d) Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

vi Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

vii Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

viii Foreign Currency Transactions:**(a) Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss

ix Government Grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants relating to the purchase of property, plant and equipment are treated as deferred income and are recognized in net profit in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

x Foreign Exchange Translation and Accounting of Foreign Exchange Transaction**a Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

xi Revenue Recognition:

- (a) Revenue from sale of products is recognized when the company transfers all significant risks and rewards of ownership to the buyer .
- (b) Revenue from sale of products is recognised, in accordance with the sales contract, on delivery of goods to the customer.
- (c) Business facility income is recognised on accrual basis as per the terms of contract.
- (d) Income from Annual Maintenance Contract (AMC) is recognised on accrual basis as per the period of the contract.
- (e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.
- (f) Offshore Development Charges income (ODC) is recognised on accrual basis as per the terms of contract.
Revenue from services is recognised when the stage of completion is measured reliably. Stage of completion is measured by the
- (g) service performed till Balance Sheet date as a percentage of total services contracted.

xii Inventories

Finished Goods are valued at lower of cost or net realisable value.
Cost is arrived on First in First Out basis

xiii Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

(a) Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(b) Deferred Taxes

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(c) Minimum Alternative Tax

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xiv Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xv Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xvi Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xvii Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. In respect of assets given on operating lease, income is recognized on straight line basis over the lease term. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xviii Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xix Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

xx Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM). The Company has identified its Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

xxi Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are searegated.

Note 4 :Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standard applicable to the company.

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs. in Lakhs)

Note 3 : Property, Plant and Equipment

Particulars	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Computers	Total
Gross carrying value					
Balance as at 1st April 2022	52.96	17.95	13.44	38.54	122.88
Additions	-	0.35	0.06	0.31	0.72
Balance as at 31st March 2023	52.96	18.30	13.49	38.85	123.60
Additions	-	-	-	-	-
Balance as at 31st March 2024	52.96	18.30	13.49	38.85	123.60
Accumulated depreciation					
Balance as at 1st April 2022	52.96	13.78	10.16	35.37	112.27
Depreciation charge during the year	-	0.69	0.11	0.64	1.44
Disposals	-	-	-	-	-
Balance as at 31st March 2023	52.96	14.48	10.27	36.01	113.72
Depreciation charge during the year	-	0.57	0.07	0.32	0.95
Disposals	-	-	-	-	-
Balance as at 31st March 2024	52.96	15.05	10.34	36.33	114.67
Net carrying value					
Balance as at 31st March 2023	-	3.82	3.22	2.84	9.88
Balance as at 31st March 2024	-	3.25	3.16	2.52	8.93

Note 4 : Intangible Assets & Intangible Assets Under Development

Particulars	Software Modules	Intangible Asset Under Development
Gross carrying value		
Balance as at 1 April 2022	406.13	2,431.03
Additions	-	-
Disposals	-	-
Balance as at 31st March 2023	406.13	2,431.03
Additions	-	-
Disposals	-	-
Balance as at 31st March 2024	406.13	2,431.03
Accumulated amortisation		
Balance as at 1 April 2022	212.00	-
Amortisation charge during the year	42.13	-
Disposals	-	-
Balance as at 31st March 2023	254.14	-
Amortisation charge during the year	42.25	-
Disposals	-	-
Balance as at 31st March 2024	296.39	-
Net carrying value		
Balance as at 31st March 2023	152.00	2,431.03
Balance as at 31st March 2024	109.75	2,431.03

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Project in Progress					
Projects temporarily suspended	-	-	0	2,431.03	2,431.03

Intangible assets under development	To be completed in				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Project 1 - Star BI	Amounts not ascertainable at present				
Project 2 - Star DQ					
Project 3 - Star 360					

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

Note 5 : Others Financial Assets

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits	1.90	1.90
Fixed Deposit Accounts Maturity More than 12 Months *	1.15	1.84
Total	3.05	3.74

* Fixed Deposit are pledged against Bank Guarantee

Note 6 : Deferred Tax Assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax assets		
Property plant and equipment	-	(2.39)
Provisions	-	14.67
Provision for doubtful financial assets	-	119.21
Total Deferred Tax Assets (net)	-	131.49

Note 7 : Other Non - current assets

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Provident Fund Paid under Protest	10.88	10.88
Total	10.88	10.88

Note 8 : Income Tax Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax and TDS (Net of Provision for Tax)	20.55	18.63
Total	20.55	18.63

(a) Amounts recognised in Statement of Profit and Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax expense (A)		
Current year (including MAT Credit Entitlement)	-	-
Short/(Excess) provision of earlier years	-	-
Deferred tax expense (B)		
Origination and reversal of temporary differences	131.49	(29.68)
Tax expense recognised in the income statement (A+B)	131.49	(29.68)

(b) Amounts recognised in other comprehensive income

Particulars	As at March 31, 2024			As at March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligation	(3.60)	0.94	(2.66)	9.30	(2.42)	6.89
	(3.60)	0.94	(2.66)	9.30	(2.42)	6.89

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

(c) Reconciliation of effective tax rate

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	(637.11)	(553.97)
Tax using the Company's domestic tax rate (26%)	(165.65)	(144.03)
Tax effect of :		
The effect of current years loss on which no deferred tax assets have been recognised	(297.14)	(114.35)
Tax expense as per Statement of Profit & Loss	131.49	(29.68)
Effective tax rate	(0.21)	0.05

Note 9 : Inventories

(Valued at lower of cost or Net Realisable Value)

Particulars	As at March 31, 2024	As at March 31, 2023
Stock in Trade	11.94	4.12
Total	11.94	4.12

Note 10 : Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good	942.88	1,033.77
Less : Provision for expected credit loss	(682.96)	(473.65)
Total	259.92	560.12

Trade Receivables ageing schedule
As at March 31, 2024

Particulars	Unbilled	Outstanding for following years					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good - from others	-	10.33	0.02	-	-	-	10.36
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	135.74	34.18	762.61	932.52
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	10.33	0.02	135.74	34.18	762.61	942.88
Less :- Provision for expected credit loss							682.96
							259.92

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

As at March 31, 2023

Particulars	Unbilled	Outstanding for following years					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good - from others	-	26.48	108.65	-	-	-	135.13
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	127.18	300.61	470.85	898.64
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	26.48	108.65	127.18	300.61	470.85	1,033.77
Less :- Provision for expected credit loss							473.65
							560.12

Note 11 : Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks	11.79	2.55
Cash on hand*	0.49	0.23
Total	12.28	2.78

* It includes 37 AED and 135 EURO

Note 12 : Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	1.01	1.26
Total	1.01	1.26

Note 13 : Others Financial Assets

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits	13.12	17.02
Interest accrued on Deposits	1.26	1.31
Total Current financial assets	14.39	18.33

Note 14 : Other current assets

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances recoverable other than in cash	0.21	4.66
Prepaid expenses	4.97	4.23
Advance to suppliers	7.10	1.05
Total other current assets	12.28	9.94

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

Note 15 : Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
55,00,000 Equity Shares of Rs 10 each	550.00	550.00
Total	550.00	550.00
Issued, Subscribed and Fully Paid Up		
50,00,600 Equity Shares of Rs 10 each fully paid up	500.06	500.06
Total	500.06	500.06

a) Terms / rights 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.

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :

(No. in lakhs)

Particulars	Equity Shares			
	As on March 31, 2024		As on March 31, 2023	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	50.01	500.06	50.01	500.06
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50.01	500.06	50.01	500.06

c) Details of Shareholders holding more than 5% shares in the company:

Name of the Shareholder	Equity Shares			
	As on March 31, 2024		As on March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ziaulla Sheriff	37,50,450	75.00%	37,50,450	75.00%

c) Shares held by promoters at the end of the year:

Name of the Shareholder	Equity Shares				% Change during the year*
	As on March 31, 2024		As on March 31, 2023		
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Mr. Ziaulla Sheriff	37,50,450	75.00%	37,50,450	75.00%	0.00%

Comparative figures

Name of the Shareholder	Equity Shares				% Change during the year*
	As on March 31, 2023		As on March 31, 2022		
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Mr. Ziaulla Sheriff	37,50,450	75.00%	37,50,450	75.00%	0.00%

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

Note 16 : Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings:		
Opening balance	(1,672.16)	(1,147.87)
Add :- Profit/(Loss) for the year	(768.60)	(524.29)
Closing balance	(2,440.76)	(1,672.16)
Other Comprehensive Income		
Opening balance	62.89	56.02
Add/ Less :- Other Comprehensive Income/(Loss)	(2.66)	6.88
Closing balance	60.23	62.89
Total	(2,380.53)	(1,609.27)

Note 17 : Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
From bank	-	0.09
Less : Current Maturity of long term debt	-	(0.09)
Total	-	-

Bank loan amounting to Nil (PY Rs. 0.09 lakhs) from ICICI Bank is the unsecured loan carries interest rate of 16% p.a. The loan is repayable in 36 installments along with interest started from January, 2019.

Note 18 : Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Gratuity	48.11	45.47
- Leave Encashment	6.16	6.89
Total non-current provisions	54.27	52.36

Note 19 : Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Inter-corporate Deposits	670.31	562.25
Loan from Director	1,461.08	1,461.08
Current Maturity of Long term Debt	-	0.09
	2,131.39	2,023.42

Note 20 : Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Due to Micro, Small Enterprises	129.13	111.57
Other than Micro and Small Enterprises	728.71	719.08
Total Trade Payables	857.84	830.65

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

The Company has amounts due to micro and small suppliers registered under the Micro, Small Enterprises Development Act 2006 (MSMED Act), as at 31st March. The disclosure pursuant to the said Act is as under:

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	129.13	111.57
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Trade payable ageing schedule
As at March 31, 2024

Particulars	Not due	Outstanding for the following periods from due date of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade payables						
(i) MSME	58.23	9.32	17.51	-	44.08	129.13
(ii) Others	10.81	25.66	32.81	2.64	656.77	728.71
b) Disputed trade payables						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
	69.04	34.98	50.33	2.64	700.85	857.84

As at March 31, 2023

Particulars	Not due	Outstanding for the following periods from due date of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade payables						
(i) MSME	45.79	35.12	-	4.00	26.66	111.57
(ii) Others	10.36	30.63	4.52	104.87	568.68	719.08
b) Disputed trade payables						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
	56.15	65.75	4.52	108.87	595.34	830.65

Note 21 : Other financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefits expenses payables	274.14	233.64
Expense Payable	6.80	6.74
Total	280.94	240.38

Note 22 : Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contract Liability	23.39	32.98
Statutory Dues Payable	1,423.23	1,277.71
Total	1,446.62	1,310.69

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

Note 23 : Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Gratuity	4.58	4.58
- Leave Encashment	0.84	1.32
Total current provisions	5.42	5.91

Note 24 : Revenue From Operations

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Sale of products	153.67	193.37
Rendering of Services	26.16	8.31
Total	179.82	201.67

Timing of revenue recognition

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Goods transferred over point of time	153.67	193.37
Service transferred over time	26.16	8.31
	179.82	201.67

Contract balances

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables	259.92	560.12
Contract liabilities	23.39	32.98

Note 25 : Other Income

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest Income	0.17	0.34
Gain on Foreign Exchange Fluctuations (net)	1.84	10.99
Total	2.01	11.33

Note 26 : Purchases of Stock-in-Trade

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Purchases of Stock in trade	95.50	77.51
	95.50	77.51

Details of traded goods purchases:

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Test, Measurement & Embedded Solutions for Educational Sector	95.50	77.51
	95.50	77.51

Note 27 : Changes in inventories of traded goods

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Opening Balance		
Stock in Trade	4.12	5.73
Closing Balance		
Stock in Trade	11.94	4.12
Total	(7.82)	1.61

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

Note 28 : Employee benefits expenses

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries and Bonus	216.25	248.68
Contribution to Provident Fund and Other welfare fund	5.03	12.49
Gratuity and Leave Encashment Expense	2.91	21.99
Staff Welfare Expenses	2.33	2.94
Total	226.53	286.10

Note 29 : Finance costs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest Expense		
- on loan from bank	-	0.29
- on loan from Others	52.48	46.39
Bank Charges	1.58	2.35
Total	54.06	49.02

Note 30 : Depreciation and amortisation expenses

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation on Property, Plant and Equipment	0.95	1.44
Amortisation of Intangible Assets	42.25	42.13
Total Depreciation and amortisation expenses	43.20	43.58

Note 31 : Other expenses

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Software Maintenance Charges	0.26	0.05
Repair & Maintenance - Others	3.94	4.29
Travelling & Conveyance	7.70	28.54
Advertisement and Business Promotion Expenses	1.06	1.26
Electricity Expenses	9.30	10.35
Communication Costs	2.94	2.90
Professional Consultancy Expenses	17.04	24.72
Auditor's Remuneration	19.00	19.00
Interest on Delayed Statutory Payments	117.88	115.99
Provision for expected credit loss on trade receivables	209.31	85.08
Miscellaneous Expenses	19.03	16.98
Total	407.47	309.15

Details of Payment to Auditors

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
For Audit Fees	19.00	19.00
Total Payment to Auditors	19.00	19.00

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

Note 32 : Earnings per equity share:

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Weighted average number of Equity Share of Rs. 10 each		
a) Number of shares at the beginning of the year	50.01	50.01
b) Number of shares at the end of the period	50.01	50.01
c) Weighted average number of Share outstanding during the year	50.01	50.01
ii) Net profit after tax available for equity shareholders	(771.26)	(517.41)
iii) Basic Earnings per Share	(15.42)	(10.35)
iv) Dilutive Earnings per Share	(15.42)	(10.35)

Note 33 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent

Particulars	As at 31-Mar-24	As at 31-Mar-23
I) Claims not acknowledged as Debts :		
Disputed liability in respect of Provident Fund	26.85	26.85
Disputed liability in respect of penal damages against non payment of Provident fund	34.64	37.84
Disputed liability in respect of penal damages against non payment of Tax Deducted at Source	11.20	11.20
Disputed liability in respect of penal damages against non payment of Professional Tax	0.60	0.60
Disputed liability in respect of penal damages against Goods and Service tax	240.52	5.32
Disputed liability in respect of Karnatka Value Added Tax	24.32	21.78
Disputed Income Tax Demand	516.77	495.95
Dispute in Chief Judicial Magistrate Court	6.50	-
Disputed Liability related to SEBI Matters	Not Ascertainable	Not Ascertainable
II) Guarantees		
Bank Guarantee	57.81	43.48

Note 34 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**A - Defined benefit obligations - Gratuity (unfunded)**

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

I) Assumptions :

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

a) Financial Assumptions

Particulars	Gratuity		Leaveencashment	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Expected rate of future salary increase	10.00%	10.00%	10.00%	10.00%
Discount Rate	7.22%	7.36%	7.22%	7.36%
Attrition Rate	15.00%	15.00%	15.00%	15.00%

b) Demographic Assumptions

Mortality in service : Indian Assured Lives Mortality 2012-14 Ultimate

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

II) Table showing change in present value of defined benefit obligation:

Particulars	Gratuity		Leaveancashment	
	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Present value of obligation as at the beginning of the year:	50.05	34.11	8.22	11.47
Interest cost	3.63	2.46	-	-
Current service cost	4.09	4.17	-	-
Benefits paid	(1.48)	-	-	-
Net Increase in Liability over the valuation period	-	-	(1.22)	(3.26)
Actuarial (Gain) / loss	(3.60)	9.30	-	-
Closing Present value of obligation as at the end of the year	52.69	50.05	7.00	8.22

III) Amount recognized in the Balance Sheet:

Particulars	Gratuity		Leaveancashment	
	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Present value of Unfunded obligation as at the end of the year	(52.69)	(50.05)	(7.00)	(8.22)
Fair Value of plan assets as at the end of the year	-	-	-	-
Funded status	(52.69)	(50.05)	(7.00)	(8.22)
Unrecognized Past Service Cost	-	-	-	-
Unrecognized Transitional Liability	-	-	-	-
Net Assets/ (Liability) recognized in the Balance Sheet	(52.69)	(50.05)	(7.00)	(8.22)

IV) Expenses recognized in the Statement of Profit and Loss

Particulars	Gratuity		Leaveancashment	
	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Current Service Cost	4.09	4.17	-	-
Past Service Cost	-	-	-	-
Interest Cost	3.63	2.46	-	-
Total Defined benefit cost	-	-	1.22	3.26
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain)/ loss recognized during the year	-	-	-	-
Total Expenses recognized in the Profit and Loss account	7.72	6.64	1.22	3.26

V) Expenses recognized in the Other Comprehensive Income (OCI)

Particulars	Gratuity	
	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Actuarial (Gain)/Loss due to Financial assumption for the period	0.43	(0.42)
Actuarial (Gain)/Loss due to Experience for the period	(4.03)	9.72
Return on Plan Assets, excluding interest income	-	-
Change in Asset ceiling	-	-
Net (Income) / Expense for the period recognised in OCI	(3.60)	9.30

VI) Balance Sheet Reconciliation:

Particulars	Gratuity		Leaveancashment	
	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Opening Net Liability	(50.05)	(34.11)	(8.22)	(11.47)
Expenses recognized in Statement of Profit & Loss	(7.72)	(6.64)	1.22	3.26
Expenses recognized in OCI	3.60	(9.30)	-	-
(Benefit directly paid by the employer)	1.48	-	-	-
Employer's Contribution	-	-	-	-
Net Liability Recognised in the Balance Sheet	(52.69)	(50.05)	(7.00)	(8.22)

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

VII) Maturity Analysis of the Benefit Payments : From the Employer:

Particulars	Gratuity	
	As at 31st March, 2024	As at 31st March, 2023
Projected benefits payable in future years from the date of reporting		
1st Following Year	3.48	4.58
2nd Following Year	2.68	2.69
3rd Following Year	9.77	2.07
4th Following Year	2.06	8.28
5th Following Year	13.90	1.62
Sum of Years 6 To 10	11.34	17.92
Sum of Years 11 and above	9.46	12.90

VIII) Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted ke

Particulars	Gratuity	
	As at 31st March, 2024	As at 31st March, 2023
<u>Change in Rate of Discounting</u>		
Delta Effect of +1%	-5.44%	-5.79%
Delta Effect of -1%	6.02%	6.43%
<u>Change in Rate of Salary Increase</u>		
Delta Effect of +1%	5.17%	5.06%
Delta Effect of -1%	-4.83%	-5.18%
<u>Change in Rate of Employee Turnover</u>		
Delta Effect of +1%	-0.95%	-0.99%
Delta Effect of -1%	1.03%	1.08%
<u>Mortality Rate 10% UP</u>	-0.04%	-0.04%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

[B] Defined Contribution Plans

Amount recognised as an expense and included in Note 28 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss for March 31,2024 is Rs. 5.03 Lakhs (March 31,2023 is Rs. 12.49 Lakhs) .

Note 35 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:**a. List of related parties**

Name of the Party	Relationship
Key Management Personnel	
Mr. Ziaulla Sheriff	Managing Director
Mr. Mukhtar Ahmad	Chief Financial officer
Mrs. Nidhi Sharma	Company Secretary (up to 07-06-2022)
Mr. Joydeep Sarkar	Company Secretary (w.e.f 01-12-2022)
Others	
Members of Bhatia Family*	Partnership with director of the company
1) Aarthi Bhatia	
2) Kajol Bhatia	
3) M M Bhatia	
4) Sidharth Bhatia	
5) Suresh Bhatia	
6) Sunil Bhatia	

Starcom Information Technology Limited
Notes to financial statements for the Year ended 31st March, 2024

(Rs . In Lakhs)

b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Mrs. Nidhi Sharma	Salary	-	1.15
Mr. Joydeep Sarkar	Salary	3.60	-

c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	As at 31st March, 2024	As at 31st March, 2023
Mrs. Nidhi Sharma	Salary Payable	0.25	0.25
Mr. Joydeep Sarkar	Salary Payable	0.60	-
Mr. Ziaulla Sheriff	Loans Payable	1,461.08	1,461.08
	Rent Payable	258.36	258.36
Members of Bhatia Family*	Rent Payable	402.45	402.45

*Office premises has been owned by the promoter (Mr. Ziaulla Sheriff) jointly with

The above figures of remuneration and salary does not include provisions for gratuity as the same is determined at the company level and is not possible to determine for select individuals.

Note 36 : Segment reporting as required under Indian Accounting Standard 108, "Operating Segments"

(1) The Company has disclosed business segment as the primary segment . These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The company operates into two business segments as required to be reported as per Indian Accounting Standard 108 on Operating Segments ,

(a) Test, Measurement & Embedded solutions for Educational sector

(b) Data Quality,Statistical and Analytics Softwares.

(Rs . In Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A. Segment Revenue		
1. Test, Measurement & Embedded Solutions for Educational Sector	155.84	108.78
2. Data Quality, Statistical & Analytics Softwares	23.98	92.89
Total Revenue	179.82	201.67
B. Segment Results		
1. Test, Measurement & Embedded Solutions for Educational Sector	24.68	36.30
2. Data Quality, Statistical & Analytics Softwares	14.39	42.25
	39.07	78.55
Less		
i) Finance charges	54.06	49.02
ii) Unallocable Expenditure net off income	622.12	583.51
Total Profit Before Tax	(637.11)	(553.98)
Less: Tax Expenses	131.49	(29.68)
Total Profit After Tax	(768.60)	(524.30)

Particulars	As at 31st March, 2024	As at 31st March, 2023
C.Segments Assets		
1. Test, Measurement & Embedded Solutions for Educational Sector	98.43	80.92
2. Data Quality, Statistical & Analytics Softwares	2,729.74	3,066.20
3. Unallocated	67.84	207.08
Total	2,896.01	3,354.20
D. Segment Liabilities		
1. Test, Measurement & Embedded Solutions for Educational Sector	49.11	49.91
2. Data Quality, Statistical & Analytics Softwares	0.54	12.66
3. Unallocated	4,726.84	4,400.84
Total	4,776.49	4,463.42

(ii) All the Non-current assets of the company are held in India

Starcom Information Technology Limited
Notes to financial statements for the year ended March 31, 2024

Note 37 : Financial instruments – Fair values and risk management

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at 31st March 2024 were as follows:

(Rs. In Lakhs)

Particulars	Non Current	Current	Total	Financial assets/ liabilities at fair value through profit or loss				Financial assets/ liabilities at fair value through OCI				Amortised cost	Total
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets													
Trade receivables	-	259.92	259.92	-	-	-	-	-	-	-	-	259.92	259.92
Cash and Cash Equivalents	-	12.28	12.28	-	-	-	-	-	-	-	-	12.28	12.28
Bank Balances other than Cash and Cash Equivalents	-	1.01	1.01	-	-	-	-	-	-	-	-	1.01	1.01
Other Financial Assets (Current & Non-current)	3.05	14.39	17.43	-	-	-	-	-	-	-	-	17.43	17.43
Financial liabilities													
Borrowings (Current & Non-current)	-	2,131.39	2,131.39	-	-	-	-	-	-	-	-	2,131.39	2,131.39
Trade payables	857.85	857.85	1,715.69	-	-	-	-	-	-	-	-	1,715.69	1,715.69
Other Financial Liabilities (Current & Non-current)	240.38	280.94	521.31	-	-	-	-	-	-	-	-	521.31	521.31

The carrying value and fair value of financial instruments by categories as at 31st March 2023 were as follows:

(Rs. In Lakhs)

Particulars	Non-Current	Current	Total	Financial assets/ liabilities at fair value through profit or loss				Financial assets/ liabilities at fair value through OCI				Amortised cost	Total
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets													
Trade receivables	-	560.12	560.12	-	-	-	-	-	-	-	-	560.12	560.12
Cash and Cash Equivalents	-	2.78	2.78	-	-	-	-	-	-	-	-	2.78	2.78
Bank Balances other than Cash and Cash Equivalents	-	1.26	1.26	-	-	-	-	-	-	-	-	1.26	1.26
Other Financial Assets (Current & Non-current)	3.74	18.33	22.07	-	-	-	-	-	-	-	-	22.07	22.07
Financial liabilities													
Borrowings (Current & Non-current)	-	2,023.42	2,023.42	-	-	-	-	-	-	-	-	2,023.42	2,023.42
Trade payables	-	830.65	830.65	-	-	-	-	-	-	-	-	830.65	830.65
Other Financial Liabilities (Current & Non-current)	-	240.38	240.38	-	-	-	-	-	-	-	-	240.38	240.38

B. Fair Value Hierarchy.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Starcom Information Technology Limited
Notes to financial statements for the year ended March 31, 2024

Note 37 : Financial instruments – Fair values and risk management (Continue..)

Risk management framework

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance

i Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i.a Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2024, and March 31, 2023 are as below:

31st March, 2024	Exposure in AED		Exposure in USD	
	Amount in INR	Amount in AED	Amount in INR	Amount in USD
Financial assets				
Trade receivables	-	-	149.56	1,79,388
Net exposure for assets	-	-	149.56	1,79,388
Financial liabilities				
Trade and other payables	1.70	7,475	4.72	5,753
Net exposure for liabilities	1.70	7,475	4.72	5,753
Net exposure (Assets - Liabilities)	(1.70)	(7,475)	144.84	1,73,636

31st March, 2023	Exposure in USD	
	Amount in INR	Amount in USD
Financial assets		
Trade receivables	60.80	73,956
Net exposure for assets	60.80	73,956
Financial liabilities		
Trade and other payables	51.82	63,033
Net exposure for liabilities	51.82	63,033
Net exposure (Assets - Liabilities)	8.98	10,923.52

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

(Rs . In Lakhs)

Impact of movement on Profit or (loss) and Equity :

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
For the year ended 31st March, 2024		
1% movement		
USD	1.45	(1.45)
AED	0.02	(0.02)
Total	1.45	(1.45)

Starcom Information Technology Limited
Notes to financial statements for the year ended March 31, 2024

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
For the year ended 31st March, 2023		
1% movement		
USD	0.09	(0.09)
Total	0.09	(0.09)

i.b Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as

(Rs. In Lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Fixed rate borrowings	2,131.39	2,023.42
	2,131.39	2,023.42

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant increase in credit risk on other financial instruments of the same counterparty
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Starcom Information Technology Limited
Notes to financial statements for the year ended March 31, 2024

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade and other receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Accounts receivables :*(Rs . In Lakhs)*

Particulars	As at March 31, 2024	As at March 31, 2023
0 - 6 months	10.33	26.48
6 - 12 months	0.02	108.65
Beyond 12 months	932.52	898.64
Less :- Allowance for doubtful debts	682.96	473.65
	259.92	560.12

Movements in provision of doubtful debts/other receivables and expected credit loss :*(Rs . In Lakhs)*

Particulars	As at March 31, 2024	As at March 31, 2023
Opening provision	473.65	388.57
Add : Additional provision made	209.31	85.08
Closing provisions	682.96	473.65

(b) Cash and cash equivalents and Other Bank

The Company held cash and cash equivalents and other bank balances amounting to Rs. 12.28 Lakhs and Rs. 1.01 Lakhs respectively (March 31, 2023: Rs. 2.78 lakhs and 1.26 Lakhs respectively). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Maturity Analysis of Significant Financial Liabilities*(Rs . In Lakhs)*

31st March 2024	On Demand / Upto 1 year	1-5 years	More than 5 years	Total
Borrowing	2,131.39	-	-	2,131.39
Trade and other payables	857.85	-	-	857.85
Other financial liabilities	280.94	-	-	280.94

31st March 2023	On Demand / Upto 1 year	1-5 years	More than 5 years	Total
Short term Borrowing	2,023.42		-	2,023.42
Trade and other payables	830.65	-	-	830.65
Other financial liabilities	240.38	-	-	240.38

Starcom Information Technology Limited
Notes to financial statements for the year ended March 31, 2024

Note 38 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

(Rs . In Lakhs)

Particulars	As at 31 March	As at 31 March 2023
Total debts	2,131.39	2,023.42
Total equity	(1,880.47)	(1,109.21)
Total debts to equity ratio (Gearing ratio)	(1.13)	(1.82)

Note 39 : The Company have an overdue statutory dues as on 31st March, 2024 in respect of Sales Tax / Service Tax / Goods and Service Tax of Rs. 269.47 lacs (including interest oi Rs. 163.03 lacs), Provident Fund / ESIC / Professional Tax of Rs. 243.81 lacs (including interest of Rs. 129.97 lacs) and Tax Deducted at Source or Rs. 909.94 lacs (including interest of Rs. 467.77 lacs). Though the Company has provided for interest upto 31st March, 2024 in respect of these liabilities, any other consequential impacts as per the respective laws are not ascertained at present. The Auditor has given modified opinion in this regard.

Note 40 : 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, the management is hoping for waive off of the rent and also requested to reduce the outstanding for earlier years to the extent possible. Accordingly, the management has not provided a rent from 1st April, 2019 to 31st March, 2024 amounting to Rs. 569.20 lacs (including Rs. 113.84 lacs for Year ended 31st March 2024). The Auditor has given modified observations in this regard.

Note 41 : The company has reversed deferred tax asset amounting to Rs. 131.49 lacs as at 31st March, 2024.

Note 42 : The Company is developing a Software related to Business Intelligence and Data Quality Solutions since long time of which carrying value as at 31st March, 2024 is Rs. 2431.02 lacs as Intangible Assets under Development. The management beleives that the expected future economic benefits that are attributable to the asset will flow to the Company. The Auditor has given modified observations in this regard.

Note 43 : The company has incurred cash losses and its net worth is fully eroded. Further the Company's Current liabilities exceeds its current assets as at the date of the Balance sheet. The Management is pursuing the prospective investors to meet its working capital requirements and is of the opinion that the operations of the Company will make profits in future. Accordingly, the financial statements have been prepared on a going concern basis.

Note 44 : Corporate Social Responsibility :The Provision for CSR are not applicable as per Section 135 of Companies act 2013.

Note 46 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

1. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2. The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

3. The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

4. Utilisation of borrowed funds and share premium

I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

5. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

6. The Company has not traded or invested in crypto currency or virtual currency during the year.

7. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period

Note 47 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

In terms of our report of even date

For C A S & Co.

Chartered Accountants

Firm Reg. No. 111075W

For and on behalf of the Board of Directors

Starcom Information Technology Limited

CIN : L67120KA1995PLC078846

Sajjan Kanodia

Partner

Membership No. : 048047

Mr. Ziaulla Sheriff

Managing Director

(DIN - 00002098)

Mr. Maddur Gundurao Mohankumar

Director

(DIN - 00020029)

Mr. Mukhtar Ahmad

Chief Financial Officer

Joydeep Sarkar

Company Secretary

Place : Mumbai

Date : May 30, 2024

Place : Bengaluru

Date : May 30, 2024

Starcom Information Technology Limited
Notes to financial statements for the year ended March 31, 2024

Note 45 : The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Sr.No.	Particulars	Numerator	Denominator	1st March 2024	1st March 2023	Variance %	Reasons for variance
1	Current Ratio	Current assets	Current liabilities	0.07	0.14	-51.17	The ratio has impacted mainly because of Increase in Current liabilities
2	Debt – Equity Ratio	Total Debt	Shareholder's Equity	(1.13)	(1.82)	-37.87	The ratio has impacted mainly because Increase of outstanding borrowing and interest on the same.
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	(12.47)	(8.67)	43.87	Decrease in profit and impacted the ratio.
4	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.51	0.62	-16.59	-
5	Inventory turnover ratio	Revenue	Average Inventory	22.39	40.94	-45.32	During the year the decrease in revenue as compared to previous year has impacted the ratio
6	Trade receivables turnover ratio	Revenue	Average Trade Receivable	0.44	0.32	35.42	Prompt collection has improve the ratio.
7	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	0.21	0.23	-8.04	-
8	Net capital turnover ratio	Revenue	Working Capital	(0.04)	(0.06)	-26.17	During the year the decrease in revenue as compared to previous year has impacted the ratio
9	Net profit ratio	Net Profit	Revenue	(3.50)	(2.60)	34.72	During the year the decrease in revenue as compared to previous year has impacted the ratio
10	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	0.25	0.30	-15.85	-
11	Return on Investment(ROI)	Income generated from investments	Time weighted average investments	-	-	-	-

¹ **Earnings available for debt service** = Net profit after tax + finance costs + depreciation & amortisation expense

² **Debt Service** = Interest & lease payments + principal payments

³ **Working Capital** = Total Current Assets - Total Current Liabilities

⁴ **Capital Employed** = Tangible Networth + Total debt + Deferred Tax liability

⁵ **Tangible Networth** = Total assets - Total liabilities - Intangible assets

⁶ **Total Debt** = Borrowings + Lease Liabilities

⁷ **Net profit** = Profit after tax