

STARCOM INFORMATION TECHNOLOGY LIMITED

19th Annual Report

Financial Year 2013-14

Board of Directors:

Present Directors

- | | |
|--|--|
| Mr. Ziaulla Sheriff | - Chairman & Managing Director |
| Mr. Mohan Kumar Maddur Gundurao | - Non Executive Director |
| Mr. Laxminarayan Krishnacharya Purohit | - Non Executive Director |
| Ms. Sayeeda Hina Ahmed | - Additional Director (w.e.f. 8 th November 2014) |

Registered Office:

#73, Sheriff Centre, St. Marks' Rd,
Bangalore 560001

Corporate Office:

88, Times Square, M.G. Road,
Bangalore 560001

Auditors:

M/s. S G C O & Co.
(formerly Singrodia Goyal & Co.)
Chartered Accountants

Bankers:

Kotak Mahindra Bank Ltd.
J & K Bank Ltd.
Citi Bank Ltd.
Yes Bank Ltd.

Registrar & Share Transfer Agent:

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

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of STARCOM INFORMATION TECHNOLOGY LIMITED will be held on Tuesday, 23rd day of December 2014 at 10.30 a.m. at No 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore 560008 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the financial year ended 31st March 2014, including audited Balance Sheet as at 31st March 2014 and the Statement of Profit & Loss Account, Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ziaulla Sheriff, (DIN 00002098), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Company and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S G C O & Co., (formerly known as Singrodia Goyal & Co.) Chartered Accountants, bearing Firm Registration No. 112081W, having its office at 4A, Kaledonia-HDIL, 2nd Floor, Sahar Road, Near Andheri Station, Andheri (East), Mumbai - 400 069, be and they are hereby re-appointed as Auditors of the Company for a period of three years, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the fourth consecutive AGM (with the meeting wherein such appointment has been made being counted as the first meeting), subject to the ratification of the appointment by the members of the Company at every AGM after this AGM, at a remuneration as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Clause 49(II)(A) of the Listing Agreement, Mrs. Sayeeda Hina (DIN: 03642269), who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and who is not disqualified to become Director under the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mrs. Sayeeda Hina as a candidate for the office of a Director, be and is hereby appointed as a Director designated as Non-Executive Director of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matters and things for giving effect to this resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as ‘the Act’) and Clause 49 of the Listing Agreement as amended from time to time, Mr. Mohan Kumar Maddur Gundurao holding DIN 00020029, Non- executive Director of the Company, who is not disqualified to become a director under the Act and who is eligible for appointment as an independent director (independent non- executive director) and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Mohan Kumar as a candidate for the office of the independent director of the Company, be and is hereby appointed as an Independent Director (Independent Non- executive Director) of the Company to hold office for a term of five consecutive years commencing from 23rd December 2014, not liable to retire by rotation, as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice.

STARCOM INFORMATION TECHNOLOGY LIMITED

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matters and things for giving effect to this resolution.”

**By Order of the Board
Starcom Information Technology Limited**

sd/-

Place: Bangalore
Date: 8th November 2014
CIN: L67120MH1995PLC085704

Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave,
Airport Road, Bangalore-560017

Registered Office:
#73, Sheriff Centre,
St. Marks' Road,
Bangalore-560001

NOTES:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th December 2014 to Tuesday, 23rd December 2014 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to notify the changes, if any, in their address to the Company's Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. immediately, in respect of their physical shares, if any, quoting their folio numbers and to their Depository Participants (DPs) in respect of their electronic share accounts.
5. Members/ proxies are requested to bring their copies of Annual Report at the Annual General Meeting.
6. Corporate Members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. Members are requested to send all share transfer lodgments (Physical mode)/ correspondence to the Registrar and Share Transfer Agent at the following address unto the date of book closure:
Sharex Dynamic (India) Pvt. Ltd.
Unit- 1, Luthra Ind. Premises,
Andheri-Kurla Rd., Safed Pool, Andheri (E),
Mumbai-400072
8. The Members are requested to dematerialize their shareholdings to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrars and Transfer Agents.
9. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.
10. Members/Proxies should bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members holding shares in same / identical name(s) under different folios are requested to apply for consolidation of such folio and relevant share certificate.
13. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
14. Members desiring any information as regards the accounts are requested to write to the Company atleast 7 days before the date of the meeting, so as to enable the management to keep the information ready.

15. The Equity Shares of the Company are listed at BSE Limited and Ahmedabad Stock Exchange Limited and the Company has paid requisite annual listing fees for the year 2014-2015 to the Exchanges.
16. Mr. Ziaulla Sheriff is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Pursuant to clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of aforesaid Director is given below:

Name of Director	Mr. Ziaulla Sheriff
DIN	00002098
Date of Birth	23 rd June 1940
Nationality	Indian
Date of appointment on Board	12 th August 2011
Qualifications	B.E. Mech
Shareholdings	38,36,857 equity shares of Rs.10/- each
List of Directorships held in other Companies\	Varma Industrial Limited, Century Galaxy Developers Limited, Ramanashree Towers Private Limited, Golf View Homes Limited, IBC Holdings And Investments Private Limited, Imperial Hospital And Research Centre Limited, Ossoor Estates Limited, Wartyhully Estates Limited, IBC Knowledge Park Private Limited, India International Coffee Private Limited, India Coffee Estates Private Limited, India Builders Corporation Private Limited, Cedar Hills Hospitality Private Limited, Great Southern Coffee Private Limited, Best Coffee Curing Works Private Limited, Wisdom World Developers Private Limited, Cubeware India Private Limited, PRI Technologies Private Limited
Committee membership	Starcom Information Technology Limited: (Member of Audit Committee and Stakeholders Relationship Committee)

Name of Director	Mrs. Sayeeda Hina Ahmed
DIN	03642269
Date of Birth	11 th October 1966
Nationality	Indian
Date of appointment on Board	8 th November 2014
Qualifications	M. Com
Shareholdings	None
List of Directorships held in other Companies\	Ossoor Estates Limited, Wartyhully Estates Limited, Wisdom World Developers Private Limited, PRI Technology Private Limited
Committee membership	None

Name of Director	Mr. Mohan Kumar Maddur Gundurao
DIN	00020029
Date of Birth	3 rd March 1957
Nationality	Indian
Date of appointment on Board	12 th August 2011
Qualifications	B.Sc, LLB, FCA, Licentiate ICSI
Shareholdings	None
List of Directorships held in other Companies\	Bonanza Investments Limited, The South India Paper Mills Limited, Deepak Cables (India) Limited, I-Assure Info Solutions Private Limited, Aerospace Infrastructure Limited, American Road Technology & Solutions Private Limited, Prayes Technology And Services Private Limited, Nandi Hills Estates Private Limited, Aviators Air Ambulance Private Limited
Committee membership	Starcom Information Technology Limited: (Chairman of Audit Committee and Stakeholders Relationship Committee)

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant 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.

18. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2013-14 is being sent in the permitted mode.
19. Members may also note that the Notice of the 19th Annual General Meeting and the Annual Report for F.Y. 2013-14 will also be available on the Company's website www.starcominfotech.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on working days except Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post at free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@starcominfotech.com.

20. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

The instructions for members for voting electronically are as under:

- i) The voting period begins on Wednesday, 17th December 2014 at 10 a.m. and ends on Friday, 19th December 2014 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st November 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a. CDSL: 16 digits beneficiary ID,
 - b. NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user, then follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that same password will be used by the demat holders for voting for resolutions

of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care in keeping your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN of STARCOM INFORMATION TECHNOLOGY LIMITED on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at 'www.evotingindia.co.in' under help section or write an e-mail to 'helpdesk.evoting@cdslindia.com'.
- xix) 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 21st November 2014.
- xx) Mr. Hemanshu Kapadia, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xxi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xxii) The results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.starcominfotech.com and on the website of CDSL.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 4

Mrs. Sayeeda Hina Ahmed (DIN 03642269) is an entrepreneur. She has wide experience in entrepreneurial business management and thus she shall be of immense help to the Company.

Mrs. Sayeeda Hina Ahmed (DIN 03642269) was appointed as an Additional Director of the Company on 8th November 2014 by the Board of Directors of the Company and designated as Non-Executive Director of the Company. According to the provisions of Section 161 of the Companies Act, 2013, Additional Director holds office upto the date of ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member signifying his intention to propose appointment of Mrs. Sayeeda Hina Ahmed (DIN 03642269) as a Non-Executive Director along with a deposit of Rs.1,00,000/-.

The Company has received the following documents from Mrs. Sayeeda Hina Ahmed (DIN 03642269):

- a) Consent in writing to act as Director in Form DIR-2 pursuant to sub-section 5 of Section 152 of the Companies Act, 2013.
- b) Declaration pursuant to sub-section 4 of Section 152 of the Companies Act, 2013 to the effect that she is not disqualified to become a Director under Section 164(2) of the Companies Act, 2013.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail the services of Mrs. Sayeeda Hina Ahmed (DIN 03642269), as a Non-Executive Director.

Accordingly, the Board recommends the resolution set forth in Item No. 4 for the approval of members as an ordinary resolution.

None of the Directors except Mrs. Sayeeda Hina Ahmed, herself and Mr. Ziaulla Sheriff, being her father, are interested in the resolution. There is no financial interest of the Directors or their relatives in the said resolution.

ITEM NO. 5

Mr. Mohan Kumar Maddur Gundurao (DIN 00020029) was a Non-Executive Professional Director of the Company. He joined the Board of Directors of the Company on 12th August 2011. Mr. Mohan Kumar Maddur Gundurao (DIN 00020029) is the Chairman of Audit Committee, Shareholders/Investor's Grievance and Share Transfer Committee of the Company. Mr. Mohan Kumar Maddur Gundurao (DIN 00020029) is a Chartered Accountant & Law Graduate and has wide experience in the field of Financial Accounting.

The Board of Directors in their meeting held on 8th November 2014 decided to designate Mr. Mohan Kumar as the Independent Director of the Company in accordance with the provisions of the Companies Act, 2013. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mohan Kumar Maddur Gundurao (DIN 00020029), being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years commencing from 23rd December 2014 and not liable to retire by rotation. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 alongwith a deposit of Rs.1,00,000/- proposing the candidature of Mr. Mohan Kumar Maddur Gundurao (DIN 00020029) for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act 2013.

The Company has received the following documents from Mr. Mohan Kumar Maddur Gundurao:

- a) Consent in writing to act as Director in Form DIR-2 pursuant to sub-section 5 of Section 152 of the Companies Act 2013.
- b) Declaration pursuant to sub-section 4 of Section 152 of the Companies Act, 2013 to the effect that he is not disqualified to become a Director under Section 164 (2) of the Companies Act 2013.
- c) A declaration to the effect that he meets the criteria of the independence as provided under sub-section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Mohan Kumar Maddur Gundurao (DIN 00020029), the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and Rules made there under and he is independent of the management. A copy of the draft letter for the appointment of Mr. Mohan Kumar Maddur Gundurao (DIN 00020029), as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any day, excluding Saturday, Sunday and Public Holiday upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Mohan Kumar Maddur Gundurao (DIN 00020029), as an Independent Director.

Accordingly, the Board recommends the resolution set forth in Item No. 5 for the approval of the Members as an Ordinary Resolution.

None of the Directors except Mr. Mohan Kumar Maddur Gundurao, himself is interested in the resolution.

By Order of the Board
Starcom Information Technology Limited

sd/-

Place: Bangalore
Date: 8th November 2014
CIN: L67120MH1995PLC085704

Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave,
Airport Road, Bangalore-560017

Registered Office:
#73, Sheriff Centre,
St. Marks' Road,
Bangalore-560001

DIRECTORS' REPORT

To

The Members,

Your Directors are hereby presenting the Nineteenth Annual Report of your Company together with the audited statements of accounts for the year ended 31st March 2014.

1. FINANCIAL HIGHLIGHTS:

(in Rs.)

Financial Results	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Income	182,354,017	25,529,741
Expenditure	169,869,805	39,050,054
Profit/ (Loss) before Taxation	12,484,212	(13,520,314)
Less: Provision for Taxation	3,807,138	104,198
Net Profit after taxation	8,677,074	(13,416,115)
Profit/(Loss) brought forward from previous year	(6,073,432)	7,342,692
Balance carried forward to Balance Sheet	2,603,651	(6,073,423)

2. OPERATIONS & PROSPECTS:

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

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

3. DIVIDEND:

In view of earlier losses being set off against the profits of the current year, your Directors do not recommend any dividend for the year under review.

4. DIRECTORS:

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

Mrs. Sayeeda Hina Ahmed (DIN 03642269) who was appointed as an Additional Director of the Company at Board of the Directors meeting held on 8th November 2014, who shall hold office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013 is proposed to be appointed as a Non-Executive Director.

As per Section 152 of the Companies Act, 2013, Mr. Mohan Kumar Maddur Gundurao (DIN 00020029), Non-Executive Director of the Company was appointed as Independent Director of the Company w.e.f. 8th November 2014. A notice in writing pursuant to Section 160 of the Companies Act 2013 has been received from a member proposing his candidature for the office of Independent Director of the Company, being eligible is proposed to be appointed as an Independent Director of the Company who shall not be liable to retire by rotation.

The Board recommends the resolutions set out in the Notice of the 19th Annual General Meeting for the approval of the members. A brief profile of all the above 3 Directors as required under Clause 49(VI)(A) of the Listing Agreement is given in the Notice of the ensuing Annual General Meeting.

5. REGISTERED OFFICE:

The Company has received the Order of the Regional Director, Western Region Bench for shifting the registered office of the Company from the state of Maharashtra to the state of Karnataka. The order has been filed with the Registrar of Companies in form INC 22 and the form is yet to be approved.

6. FIXED DEPOSITS:

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

7. PARTICULARS OF EMPLOYEES:

Pursuant to Section 217(2A) of the Companies Act, 1956, the Directors have to inform that there was one employee covered under the Section during the period of review. The required information is disclosed through the annexure attached.

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

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

A. Conservation of Energy:

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

B. Technology Absorption, Adaptation and innovation:

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

C. Foreign Exchange Earnings and Outgoings:

Foreign Exchange Earning:

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
Sales	25,139,720	-
Software Development Services	43,748,580	17,067,447
Business Facilities Income	14,237,564	883,380
Total	83,125,864	17,950,827

Foreign Exchange Outgoings:

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
Staff Welfare	402,309	--
Travelling Expenses	183,719	--
Total	586,028	-

9. CORPORATE GOVERNANCE:

Your Company adheres to the requirements set out by the Securities and Exchange Board of India. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A separate report of Corporate Governance is enclosed as a part of this Report along with certificate from M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries confirming compliance with the requirements of Corporate Governance.

10. CEO/CFO CERTIFICATION:

In accordance with the provisions of the Listing Agreement pertaining to Corporate Governance norms, Mr. Ziaulla Sheriff, Chairman and Managing Director of the Company has certified the review of financial statements and establishing and maintaining internal controls for financial reporting for the year ended 31st March 2014. The said certificate forms part of the Annual Report.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

12. AUDITORS:

M/s. SGCO & Co., Chartered Accountants, having Firm Registration No. 112081W, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under Section 141 of the Companies Act, 2013.

The Board recommends re-appointment of Auditors of the Company for a term of three years commencing from 1st April 2014 to hold office as such from the conclusion of this Annual General Meeting ("AGM") until the conclusion of 22nd Annual General Meeting, subject to ratification of the appointment by the members at every AGM held after this AGM.

13. AUDITORS' REPORT:

The observations in the Auditors' Report are dealt in the notes forming Part of the accounts at appropriate places. The management's reply to the observations in the Annexure to the Auditors' Report is given under:

Clause No.	Auditors' Remarks/ Observations	Management Reply
ix (a)	Accordingly to the records of the Company, the undisputed statutory dues including Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, to the extent applicable to the Company have been regularly deposited with the appropriate authorities <i>except for Service Tax liability and TDS liability where delays have been noticed and Provident Fund liability amounting to Rs. 652,672/- which is not yet paid as the Company has applied for registration under the said act.</i> The undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31 st March 2014 for a period more than six months from the date they became payable are as follows : i. <i>Provident Fund amounting to Rs. 313,978 - Applied for Registration</i> ii. <i>TDS amounting to Rs. 39,351 - Since paid</i> iii. <i>Service Tax amounting to Rs. 165,390 - Since paid</i>	There were delays in payment of taxes due to administrative difficulties. The management had a contrary view in respect of the said payment.
(xvii)	On an overall examination of the balance sheet of the Company, <i>we are of the opinion that short-term funds to the extent of Rs. 6,35,60,126/- have been used for long-term purpose.</i>	The management is in the process of planning augmenting the long term capital to overcome the current position

14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the annual accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed and that there are no material departures;
- (ii) the Directors have adopted such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March 2014 and of the profit of the Company for the financial year end on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

15. ACKNOWLEDGEMENT:

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

By Order of the Board
Starcom Information Technology Limited

sd/-

Place: Bangalore
Date: 8th November 2014
CIN: L67120MH1995PLC085704

Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave,
 Airport Road, Bangalore-560017

Registered Office:
 #73, Sheriff Centre,
 St. Marks' Road, Bangalore-560001

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March 2014.

Name	Gary Alan Gerttula
Date of Birth	28 th January 1954
Designation	Chief Operating Officer
Remuneration	Rs.1,24,00,000/- p.a.
Qualifications	MBA, DBA(ABD)
Company Experience	9 months
Total Experience	20 years
Date of Commencement	12 th February 2014
Previous Employment	CEO in Digital Garage and Advisor to growth of Companies

CORPORATE GOVERNANCE REPORT

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

(A) MANDATORY REQUIREMENTS

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

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

II. BOARD OF DIRECTORS:

a) Board Composition:

As on 31st March 2014, the Board comprises of three Directors and more than 50% are Non-Executive Directors. The composition of Board is given below:

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

The management has identified new Independent Directors to form part of the Board. The Board of Directors in their meeting held on 8th November 2014, appointed Mrs Sayeeda Hina Ahmed as Additional Director designated as Non-Executive Director of the Company. In the said meeting, Mr. Mohankumar Gundurao was designated as Independent Director of the Company.

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

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

Financial Year: 2013-14 (1st April 2013 to 31st March 2014)

Name of the Director	Category	Board Meeting held	Attendance Particulars		No. of other Directorships and Committee Memberships/ Chairmanships in other Indian Public Limited Company as on 31.03.14#		
			Board Meeting	Last AGM	Other Directorshi-ps*	Committee Member-ships	Committee Chairmanships
Mr. Ziaulla Sheriff	C & E	6	6	No	6	Nil	N.A.
Mr. Mohan Kumar Maddur Gundurao@	NE & PD	6	6	Yes	4	1	Nil
Mr. Laxminarayan Krishnacharya Purohit	NE & PD	6	6	Yes	Nil	N.A.	N.A.

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

* Other Directorships exclude the Directorships held in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956/Section 8 of the Companies Act, 2013.

Committees of Directors includes Audit Committee and Shareholders'/Investors' Grievance Committee only.

@ Mr. Mohankumar Gundurao designated as Independent Director in the Board meeting held on 8th November 2014.

c) Meetings of the Board of Directors:

During the Financial year 2013-14, Six Board Meetings were held on the following dates:

24th May 2013, 14th August 2013, 29th October 2013, 31st October 2014, 27th November 2013 and 13th February 2014.

III. AUDIT COMMITTEE:

a) Brief description of terms of reference:

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

b) Composition:

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

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

c) Meeting and attendance during the year:

During the year under review, four meetings of the Audit Committee were held, the dates being, 24th May 2013, 14th August 2013, 29th October 2013 and 13th February 2014.

Name of the Member	Meetings Attended
Mr. Mohan Kumar Maddur Gundurao	4
Mr. Laxminarayan Purohit	4
Mr. Ziaulla Sheriff	4

IV. REMUNERATION COMMITTEE:

a) Brief description of terms of reference:

The Board of Directors in their meeting held on 8th November 2014, renamed the Remuneration Committee to Nomination and Remuneration Committee in compliance with the Companies Act, 2013 and the listing agreement which became effective from 1st October 2014.

b) Composition:

The management is in the process of inducting the Independent Directors on the Board. On their appointment, the Company shall reconstitute the Committee.

c) Meeting and attendance during the year:

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

d) Remuneration Policy:

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

e) Details of Remuneration Paid:

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

V. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Constitution and terms of reference of the Committee:

The 'Shareholders' / Investors' Grievances Committee' has been renamed as the 'Stakeholders Relationship Committee' and its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Companies Act, 2013 and the listing agreement (including any statutory modification(s) or re-enactment or amendments thereof).

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of shareholders' / investors' complaints, the Committee was constituted. The Committee is empowered to look into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and other miscellaneous complaints.

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

b) Name and designation of Compliance Officer:

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

c) Number of Shareholders complaints received so far:

There were no complaints received during the year under review.

d) Number not solved to the satisfaction of shareholders:

Nil

e) Number of pending complaints:

Nil

f) Meeting and attendance during the year:

The Committee met four times during the year under review, i.e. 24th May 2013, 14th August 2013, 29th October 2013 and 13th February 2014 and all the members of the Committee were present at all the meetings.

VI. GENERAL BODY MEETINGS:

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

Financial Year	AGM	Day, Date & Time	Venue	Special Resolution Passed
2012-2013	18 th AGM	Wednesday, 27 th November 2013 at 11.00 a.m.	Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 th Floor, 12, K. Dubhash Road, Fort, Mumbai- 400001	NIL
2011-2012	17 th AGM	Tuesday, 25 th September 2012 at 11.00 a.m.	Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 th Floor, 12, K. Dubhash Road, Fort, Mumbai-400001	Change in Registrar and Transfer Agent of the Company
2010-2011	16 th AGM	Tuesday, 29 th November 2011 at 10.00 a.m.	Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 th Floor, 12, K. Dubhash Road, Fort, Mumbai-400001	Appointment of Mr. Ziaulla Sheriff as Managing Director of the Company

b) Special Resolution passed through Postal Ballot- details of voting pattern:

During the financial year under review, Special resolution for shifting of registered office from the state of Maharashtra to the state of Karnataka was passed through postal ballot. The details of voting pattern is given below:

Number of valid postal ballot forms received	19 forms
Number of valid votes cast by electronic mode	Not applicable
Votes in favor of the resolution	44,62,666 equity shares
Votes against the resolution	2 equity shares
Number of invalid postal ballot forms received	2 forms
Number of invalid votes by electronic mode	Not applicable

c) Person who conducted the postal ballot exercise:

Mr. Ziaulla Sheriff, Chairman and Managing Director and Mr. Laxminarayan Purohit, Director of the Company were responsible for conducting the postal ballot process. Mr. Hemanshu Kapadia, Practicing Company Secretary acted as the Scrutinizer for the postal ballot process.

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

Special resolutions under Section 180(1)(a) and Section 180(1)(c) are proposed to be passed through postal ballot.

e) Procedure for postal ballot:

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

VII. DISCLOSURES:**(i) Basis of related party transactions:**

During the financial year under review, the related party transactions with Promoters and Managing Director were not materially significant. The Company has paid rent expenses for office premises taken and has also availed interest free temporary loan from the Chairman and Managing Director of the Company.

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

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

(iii) Whistle Blower Policy:

The Company has introduced a 'Whistle Blower Policy' / 'Vigil Mechanism'. The objective of the Vigil Mechanism is to provide the employees, customers, vendors, contractors and other stakeholders of /in the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair deal to all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith. The Board of Directors affirms and confirms that no personnel has been denied access to the Audit Committee.

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

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

VIII. MEANS OF COMMUNICATION:

The quarterly results of the Company are published in newspapers in compliance with the provisions of Clause 41 of the Listing Agreement. Generally, the same are published in the Free Press Journal and Business Standard (English language) and Navshakti and Lakshdeep (Marathi language). As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well proceedings of the Annual General Meeting are submitted to the BSE Limited immediately after the conclusion of the respective meeting.

IX. GENERAL SHAREHOLDERS INFORMATION:**a) 19th Annual General Meeting:**

Day, Date and Time : Tuesday, 23rd December 2014 at 10.30 am

Venue : No. 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore - 560008

b) Financial Year : 1st April 2013 to 31st March 2014

c) Date of Book Closure : 16th December 2014 to 23rd December 2014

d) Dividend payment date : Not Applicable

e) Listing on Stock Exchanges : i) BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

ii) Ahmedabad Stock Exchange Limited

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

f) Stock Code:

i) BSE Limited - 531616

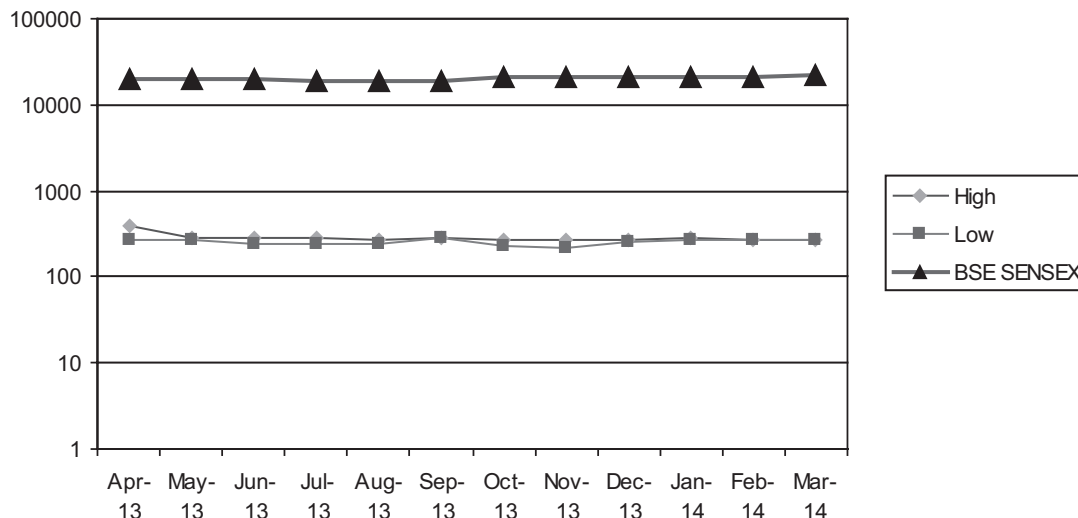
ii) Ahmedabad Stock Exchange Limited - 27876

Demat ISIN in NSDL and CDSL for equity shares - INE347I01010

g) Market price Data: High, Low during each month in the financial year 2013-2014:

Month	BSE	
	High Price	Low Price
April 2013	388	266.05
May 2013	290	265
June 2013	283	240
July 2013	288	241.95
August 2013	267.9	243
September 2013	290	281.25
October 2013	269.85	231.45
November 2013	271.35	220.45
December 2013	265	255
January 2014	280.35	266
February 2014	267.05	267
March 2014	267	267

h) Performance in comparison to broad base indices such as BSE, Sensex, CRISIL Index etc.



i) Registrar and Share Transfer Agent:

Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd.:

Unit- 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072

j) Share Transfer System:

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

k) Distribution of shareholding as on 31st March 2014:

Grouping of Shares	No. of Shareholders	% of total shareholders	No. of Shares	% of total shares
1 to 5000	87	25.89	3632	0.07
5,001 to 10,000	13	3.87	2366	0.05
10,001 to 20,000	105	31.25	48583	0.97
20,001 to 30,000	86	25.60	76766	1.54
30,001 to 40,000	21	6.25	53062	1.06
40,001 to 50,000	10	2.98	78121	1.56
50,001 to 1,00,000	13	3.87	301644	6.03
1,00,001 and above	1	0.30	4436426	88.72
Total	336	100.00	5000600	100.00

Category	No. of Shareholders	No. of Shares held	% of total shares
Promoter*	1	4436426	88.718
Resident Individuals	324	541940	10.837
Bodies Corporate	11	22234	0.445
Total	336	5000600	100.000

* As on 8th November 2014, the shareholding of the Promoter has reduced to 3836857 shares (76.73%).

l) Dematerialization of shares and liquidity:

As on 31st March 2014, 97.85% of the Company's total equity shares representing 48,93,280 shares were held in dematerialized form and balance 2.15% representing 1,07,320 shares were held in physical form.

m) Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity:

There were no such outstanding instruments as on 31st March 2014.

n) Plant Locations:

There is no plant of the Company. The Corporate office and Software Development Center of the Company is located at No. 88, Times Square, MG Road Bangalore 560001.

o) Address for correspondence:

- For share transfer/ dematerialization of shares/ other queries relating to the securities:
Sharex Dynamic (India) Pvt. Ltd.,
Unit- 1, Luthra Ind. Premises, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072
- For queries on Annual Report or investors' assistance:
#73, Sheriff Centre, St. Marks' Rd, Bangalore 560001

For Starcom Information Technology Limited

sd/-

Place: Bangalore
Date: 8th November 2014
CIN: L67120MH1995PLC085704

Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave,
Airport Road, Bangalore-560001

Registered Office:
#73, Sheriff Centre,
St. Marks' Road,
Bangalore-560001

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Starcom Information Technology Limited

We have examined the compliance of conditions of Corporate Governance by **Starcom Information Technology Limited**, for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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

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

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

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

sd/-

Hemanshu Kapadia

Proprietor

CP. No. 2285

FCS: 3477

8th November 2014

Bangalore

CEO/ CFO CERTIFICATION

To
The Board of Directors
Starcom Information Technology Limited

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

- (a) I have reviewed the Balance Sheet & Profit & Loss Account (Statement of Profit and Loss) and all the schedules and notes on accounts, as well as the cash flow statements, and Directors' Report for the year ended 31st March 2014 and to the best of my knowledge and belief:
- (i) these statements do not contain any untrue statement of a material fact or omit any material fact or contain statements that might be misleading,
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the Internal Control Systems of the Company and the same have been disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
- (d) I have indicated to Auditors and the Audit committee that:
- (i) there are no significant changes in internal control during the year;
 - (ii) there have been no significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
 - (iii) I am not aware of any instance of significant fraud and involvement therein of the Management or an employee having a significant role in the Company's internal control system.

For Starcom Information Technology Limited

sd/-

Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave,
Airport Road, Bangalore-560001

Place: Bangalore
Date: 8th November 2014
CIN: L67120MH1995PLC085704

Registered Office:
#73, Sheriff Centre,
St. Marks' Road,
Bangalore-560001

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

As the Managing Director of Starcom Information Technology Limited and as required pursuant to Clause 49 I D (ii) of the Listing agreement, I hereby declare and certify that all the Board members of the Company have affirmed compliance with the Code of Conduct as adopted by the Company for the year 2013-14.

For Starcom Information Technology Limited

Place: Bangalore
Date: 8th November 2014
CIN: L67120MH1995PLC085704

Registered Office:
#73, Sheriff Centre,
St. Marks' Road,
Bangalore-560001

sd/-
Ziaulla Sheriff
Chairman & Managing Director
DIN: 00002098
Add: Al-Barka Golden Enclave,
Airport Road, Bangalore-560001

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**(i) Industry structure and developments:****Overview**

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

Global Business Environment

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

The India Opportunity...

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

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

Starcom Information Technology: Poised For Growth

During the financial year 2013-2014, Starcom Information Technology Limited (SITL) successfully made several operating initiatives with the underlying objective of creating a successful global business. Powered by a strong business strategy and an aggressive management team, SITL has created a robust pipeline to support sustained business expansion and value enhancement in the coming years in the areas of business intelligence, enterprise analytics and engineering services. In the year 2013-2014, the Company is progressing in the said areas and achieving new heights.

(ii) Opportunities and Threats:**Opportunities:**

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

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

Threats:

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

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

(iii) Segment-wise Performance:

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

(iv) Outlook:

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

(v) Risks and concerns:

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

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

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

(vi) Internal Control systems and their adequacy:

The Company has an adequate system of internal controls implemented for achieving efficiency in operations, optimum utilization of resources with analysis of data to strengthen it to meet the changing requirements.

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

Commencing its business just a year prior to the year of review, company has shown significant growth in sales and its customer base. During this period, company has seen multi fold growth in sales and also has booked profits which have sufficiently offset the accumulated losses.

During this period, company has also explored new business opportunities and has made significant progress towards business acquisitions of 2 foreign entities, from Australia and the United States. These are targeted to bring forward inorganic growth in terms of revenue, profits and the manpower.

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

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

Cautionary Statement:

Statement in this “Management Discussion and Analysis” may be considered to be “forward looking statements” within the meaning of applicable securities laws or regulations. This statement is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Independent Auditor's Report

To the Members,

Starcom Information Technology Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Starcom Information Technology Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating and appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

For S G C O & Co.
Chartered Accountants
Firm Reg. No : 112081W

Sd/-

Suresh Murarka
Partner
Mem. No. 044739

Place: Mumbai

Date: 29th May, 2014

Annexure to Auditors' Report

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the accounts of **Starcom Information Technology Limited** for the year ended 31st March, 2014.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) All the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- (c) During the year, there is no disposal of fixed assets.
- (ii) (a) The inventories have been physically verified by the management during the year at reasonable intervals.
- (b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification as compared to books records.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clauses 4 (iii) (b), (c) and (d) of the said Order are not applicable to the Company.
- (b) The Company has taken unsecured loan from one party (Director) covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 41,88,56,642/- and the year-end balance was Rs. 19,17,56,642/-.
- (c) The said loan is interest free .Other terms and conditions on which the loan has been taken are prima facie, not prejudicial to the interest of the Company;
- (d) There is no stipulation with regard to repayment of principal amount, hence clause 4 (iii) (g) of the said Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems.
- (v) (a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under that section have been so entered.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company does not have a formal internal audit system. However, according to the information and explanations given to us, operating control systems are commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- (ix) (a) Accordingly to the records of the Company, the undisputed statutory dues including Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, to the extent applicable to the Company have been regularly deposited with the appropriate authorities *except for Service Tax liability and TDS liability where delays have been noticed and Provident Fund liability amounting to Rs. 652,672/- which is not yet paid as the Company has applied for registration under the said act.* The undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period more than six months from the date they became payable are as follows :
 - i. *Provident Fund amounting to Rs. 313,978 - Applied for Registration*
 - ii. *TDS amounting to Rs. 39,351 - Since paid*
 - iii. *Service Tax amounting to Rs. 165,390 - Since paid*

- (b) There are no amount in respect of any disputed sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current financial year but had incurred in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of its dues to Banks and financial institutions.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) On an overall examination of the balance sheet of the Company, *we are of the opinion that short-term funds to the extent of Rs. 6,35,60,126/- have been used for long-term purpose.*
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year.

For S G C O & Co.
Chartered Accountants
Firm Reg. No : 112081W

Sd/-

Suresh Murarka
Partner
Mem. No. 044739

Place: Mumbai

Date: 29th May, 2014

Balance Sheet as at March 31, 2014

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	50,006,000	50,006,000
(b) Reserves and Surplus	3	2,603,651	(6,073,423)
		52,609,651	43,932,577
Non-Current Liabilities			
(a) Long Term Borrowings	4	191,756,642	183,956,642
(b) Other Long-Term Liabilities	5	10,188,448	5,749,858
(c) Long-term Provisions	6	199,635	-
		202,144,725	189,706,500
Current Liabilities			
(a) Short Term Borrowings	7	320,154,830	-
(b) Trade Payables	8	43,691,382	18,093,307
(c) Other Current Liabilities	9	8,022,022	1,543,111
(d) Short Term Provisions	10	4,379,696	273,415
		376,247,930	19,909,833
TOTAL		631,002,306	253,548,910
II. ASSETS			
Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets	11	22,507,566	26,666,345
(b) Deferred Tax Assets (net)	12	847,061	104,199
(c) Long Term Loans and Advances	13	289,781,875	58,626,577
(d) Other Non-Current Assets	14	5,178,000	5,040,000
		318,314,502	90,437,120
Current Assets			
(a) Inventories	15	6,864,674	-
(b) Trade Receivables	16	97,954,761	5,166,891
(c) Cash and Bank Balances	17	153,490,618	151,676,032
(d) Short Term Loans & Advances	18	39,676,469	47,567
(e) Other Current Assets	19	14,701,282	6,221,299
		312,687,804	163,111,789
TOTAL		631,002,306	253,548,910
Significant Accounting Policies	1		
Accompanying Notes to Accounts	28		

In terms of our report of even date

For S G C O & Co

Chartered Accountants

Firm Reg. No. : 112081W

Sd/-
Suresh Murarka
Partner
Mem. No. 044739

For and on behalf of the Board of Directors

Starcom Information Technology Limited

Sd/-
Ziaulla Sheriff
Managing Director
DIN 00002098

Sd/-
Mohan Kumar MG
Director
DIN 00020029

Place : Mumbai

Date : 29th May, 2014

Place : Bengaluru

Date : 29th May, 2014

Statement of Profit and Loss for the year ended March 31, 2014

(Amount in Rs.)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME:			
Revenue from operations	20	166,527,373	17,950,827
Other income	21	15,826,645	7,578,914
Total Revenue		182,354,017	25,529,741
EXPENSES:			
Purchase of Stock in Trade	22	66,665,586	-
Changes in inventories of finished goods, WIP & traded goods	23	(6,864,674)	-
Employee benefits expense	24	15,202,601	571,783
Finance Costs	25	17,865,740	2,195,407
Depreciation and amortization expense	11	6,040,812	2,474,328
Other Expenses	26	70,959,741	33,808,536
Total Expenses		169,869,805	39,050,054
Profit /(Loss) before tax		12,484,212	(13,520,314)
Less: Tax Expenses:			
Current Tax		4,550,000	-
Deferred Tax Charge / (Benefits)		(742,862)	(104,199)
Short / (Excess) provision for tax of earlier years		-	-
Profit/(Loss) for the Year		8,677,074	(13,416,115)
Earnings per equity share: (face value of Rs. 10/- each)	27		
- Basic		1.74	(2.68)
- Dilutive		1.74	(2.68)
Significant Accounting Policies	1		
Accompanying Notes to Accounts	28		

In terms of our report of even date

For S G C O & Co

Chartered Accountants

Firm Reg. No. : 112081W

Sd/-

Suresh Murarka

Partner

Mem. No. 044739

Place : Mumbai

Date : 29th May, 2014

For and on behalf of the Board of Directors

Starcom Information Technology Limited

Sd/-

Ziaulla Sheriff

Managing Director

DIN 00002098

Place : Bengaluru

Date : 29th May, 2014

Sd/-

Mohan Kumar MG

Director

DIN 00020029

Cash Flow Statement for the year ended March 31, 2014

(Amount in Rs.)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	12,484,212	(13,520,314)
Adjustments for :		
Depreciation on Fixed Assets	6,040,812	2,474,328
Interest expense	17,735,387	2,192,031
Interest income	15,695,778	7,575,785
Foreign Exchange Fluctuations	(1,080,419)	3,129
Operating profit before working capital changes	21,645,051	(16,432,868)
Adjustments for :		
Increase / (Decrease) in Other Long-Term Liabilities	4,438,590	5,749,858
Increase / (Decrease) in Long-Term Provisions	199,635	-
Increase / (Decrease) in Short Term Borrowings	320,154,830	-
Increase / (Decrease) in Trade Payables	25,598,075	18,093,307
Increase / (Decrease) in Other Current Liabilities	6,478,911	1,511,395
Increase / (Decrease) in Short Term Provisions	4,106,281	(321,337)
Decrease / (Increase) in Short-term loans and advances	(39,628,902)	(47,567)
Decrease / (Increase) in Long-term loans and advances	(231,155,298)	(57,549,002)
Decrease / (Increase) in Inventories	(6,864,674)	-
Decrease / (Increase) in Trade Receivables	(93,868,289)	(5,163,762)
Decrease / (Increase) in Other Non-Current Assets	(138,000)	(5,010,000)
Decrease / (Increase) in Other Current Assets	(8,479,983)	(6,221,299)
Cash generated from / (used in) operations	2,486,227	(65,391,276)
Direct taxes paid	(4,550,000)	(1,455,666)
Net cash flow from / (used in) operating activities	(2,063,773)	(66,846,942)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,882,033)	(29,140,673)
Redemption / maturity of bank deposits (having maturity period more than 3 months)	-	(92,902,573)
Interest income	15,695,778	7,575,785
Net cash flow from / (used in) investment activities	13,813,745	(114,467,461)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan received	7,800,000	183,652,949
Interest	(17,735,387)	(2,192,031)
Net cash flow from / (used in) financing activities	(9,935,387)	181,460,918
Net increase / (decrease) in cash and cash equivalents	1,814,586	146,514
Cash and cash equivalents at the beginning of the year	676,032	529,517
Cash and cash equivalents at the end of the year	2,490,618	676,032

Note :

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

(Amount in Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash in hand	55,924	6,831
Balances with Banks	2,434,694	669,201
	2,490,618	676,032

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

In terms of our report of even date

For and on behalf of the Board of Directors

For S G C O & Co

Starcom Information Technology Limited

Chartered Accountants

Firm Reg. No. : 112081W

Sd/-
Ziaulla Sheriff
Managing Director
DIN 00002098

Sd/-
Mohan Kumar MG
Director
DIN 00020029

Sd/-
Suresh Murarka
Partner
Mem. No. 044739

Place : Mumbai
Date : 29th May, 2014

Place : Bengaluru
Date : 29th May, 2014

Accompanying Notes to the financial statements for the year ended March 31, 2014

Note 1 : Significant Accounting Policies:

A Basis of Accounting:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

B Use of Estimates:

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

C Fixed Assets:

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

D Depreciation:

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

E Impairment of Fixed Assets:

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

F Revenue Recognition:

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

G Foreign Currency Transactions:

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

H Inventories

- i) Finished Goods are valued at lower of cost or net realisable value.
- ii) Raw Materials, Stores are valued at lower of cost or net realisable value.
- iii) Work-in-Process is valued at lower of the cost or net realisable value.
- iv) Packing Materials, Store & Spares are valued at cost.

I Investments:

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

J Provisions and Contingent Liabilities:

- i) Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets issued by The Institute of Chartered Accountants of India (ICAI), when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- ii) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- iii) Contingent Liabilities are disclosed by way of notes.

K Employee Benefits:-

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

L Accounting for Taxes of Income:-

Current Taxes

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

Deferred Taxes

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

M Miscellaneous Expenditure:

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

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Note 2 : Share Capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised Capital		
55,00,000 Equity Shares of Rs 10 each	55,000,000	55,000,000
Issued,Subscribed and Paid up		
50,00,600 Equity Shares of Rs 10 each fully paid up	50,006,000	50,006,000
	<u>50,006,000</u>	<u>50,006,000</u>

b. Reconciliation of Number of Shares

Particulars	Equity Shares as at 31st March, 2014		Equity Shares as at 31st March, 2013	
	Number	Rs.	Number	Rs.
Shares outstanding at beginning of the year	5,000,600	50,006,000	5,000,600	50,006,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	5,000,600	50,006,000	5,000,600	50,006,000

c. Terms / Right attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company.

d. Shareholders having more than 5% shareholding

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr. Ziaulla Sheriff	4,436,426	88.72%	4,436,455	88.72%

Note 3 : Reserves & Surplus

Particulars	As at March 31, 2014	As at March 31, 2013
Surplus / (Deficit) in Statement of Profit & Loss		
Balance at the beginning of the period	(6,073,423)	7,342,692
Add: Surplus/(Deficit) as per the statement of profit & loss	8,677,074	(13,416,115)
	<u>2,603,651</u>	<u>(6,073,423)</u>

Note 4 : Long Term Borrowings (Unsecured)

Particulars	As at March 31, 2014	As at March 31, 2013
Loan from a Director *	191,756,642	183,956,642
	<u>191,756,642</u>	<u>183,956,642</u>

* - The said loan is interest free and repayable after 31st March, 2015.

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Note 5 : Other Long-Term Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Unbilled Lease Rentals	10,188,448	5,749,858
	<u>10,188,448</u>	<u>5,749,858</u>

Note 6 : Long-term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Gratuity	199,635	-
	<u>199,635</u>	<u>-</u>

Note 7 : Short Term Borrowings (Unsecured)

Particulars	As at March 31, 2014	As at March 31, 2013
Bank Overdraft	320,154,830	-
	<u>320,154,830</u>	<u>-</u>

The said loan is Overdraft facility from "The Jammu & Kashmir Bank Limited" which is given against personal guarantee of the Managing Director, Mr. Ziaulla Sheriff.

Note 8 : Trade Payables

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables *		
Due to Micro, Medium and Small Enterprises	-	-
Other than Micro, Medium and Small Enterprises	43,691,382	18,093,307
	<u>43,691,382</u>	<u>18,093,307</u>

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

Note 9 : Other Current Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Advance from Customers	320,000	-
Statutory Dues Payable	7,702,022	1,543,111
	<u>8,022,022</u>	<u>1,543,111</u>

Note 10 : Short Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Gratuity	364	-
Provision for Income Tax (Net of Advance Tax & TDS)	2,523,146	-
Provision for Expenses	1,856,186	273,415
	<u>4,379,696</u>	<u>273,415</u>

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Note 11 : Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2013	Additions during the Year	As at March 31, 2014	Upto 31st March, 2013	Depreciation charge for the year	Upto 31st March, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets								
Leasehold Improvements	18,209,079	-	18,209,079	1,524,977	3,864,021	5,388,998	12,820,081	16,684,102
Plant & Machinery	796,513	-	796,513	37,572	105,569	143,141	653,372	758,941
Furniture & Fixtures	4,155,686	-	4,155,686	311,224	695,848	1,007,072	3,148,614	3,844,462
Office Equipments	3,953,975	727,238	4,681,213	255,186	556,815	812,001	3,869,212	3,698,789
Computers	2,025,420	1,154,794	3,180,214	345,369	818,559	1,163,928	2,016,286	1,680,051
Total	29,140,673	1,882,033	31,022,705	2,474,328	6,040,812	8,515,140	22,507,566	26,666,345
Previous Year	-	29,140,673	29,140,673	-	2,474,328	2,474,328	26,666,345	-

Note 12 : Deferred Tax Assets (net)

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Tax Asset		
Excess of fixed assets as per net block for tax purpose over net block as per books of accounts	645,385	83,694
Expenses disallowed under Sec 43B		
Provident Fund	201,676	20,505
	847,061	104,199

Note 13 : Long Term Loans and Advances (Unsecured, considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Advances	288,101,522	57,549,002
Duties & taxes Receivable	602,778	-
Advance Tax & TDS (Net of Provisions)	1,077,575	1,077,575
	289,781,875	58,626,577

Note 14 : Other Non-Current Assets (Unsecured, considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
Sales tax Deposit	40,000	40,000
Rental Deposit	5,138,000	5,000,000
	5,178,000	5,040,000

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Note 15 : Inventories

Particulars	As at March 31, 2014	As at March 31, 2013
Software & Analytical Lab Equipments	6,864,674	-
	<u>6,864,674</u>	<u>-</u>

Note 16 : Trade Receivables (Unsecured, Considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period more than six months from due date	21,211,680	-
Others	76,743,081	5,166,891
	<u>97,954,761</u>	<u>5,166,891</u>

Note 17 : Cash and Bank Balances

Particulars	As at March 31, 2014	As at March 31, 2013
Cash & Cash Equivalents		
a. Balances with banks		
- In Current Accounts	2,434,694	669,201
b. Cash in Hand	55,924	6,831
Other Bank Balances		
a. In Fixed Deposits (maturity period 3 to 12 months)	151,000,000	151,000,000
	<u>153,490,618</u>	<u>151,676,032</u>

Note 18 : Short Term Loans and Advances (Unsecured, Considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
Advances Receivable in Cash or Kind	15,144,416	375
Intercompany Loans & Advances	22,202,816	-
Prepaid Expenses	1,802,169	47,192
Earnest Money Deposits	527,068	-
	<u>39,676,469</u>	<u>47,567</u>

Note 19 : Other Current Assets (Unsecured, Considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest accrued on Fixed Deposits	14,701,282	6,221,299
	<u>14,701,282</u>	<u>6,221,299</u>

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Note 20 : Revenue from operations

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Sales	108,541,229	-
Software Development Services	43,748,580	17,067,447
Business Facility Income	14,237,564	883,380
	<u>166,527,373</u>	<u>17,950,827</u>
Information pursuant to para 5(ii) and 5(iii) of the general instructions to the statement of profit & loss :-		
Particulars of Sales		
Sale of Software & Analytical Lab Equipments	108,541,229	-
	<u>108,541,229</u>	<u>-</u>

Note 21 : Other Income

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Income	15,695,778	7,575,785
Foreign Exchange Fluctuations (net)	-	3,129
Sundry Balance Written Back	130,867	-
	<u>15,826,645</u>	<u>7,578,914</u>

Note 22 : Purchases of stock-in-trade

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Purchases	66,665,586	-
	<u>66,665,586</u>	<u>-</u>
Information pursuant to para 5(ii) and 5(iii) of the general instructions to the statement of profit & loss :-		
Particulars of traded goods purchases:		
Purchase of Software & Analytical Lab Equipments	66,665,586	-
	<u>66,665,586</u>	<u>-</u>

Note 23 : Changes in inventories of Finished goods,WIP & traded goods

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Opening Inventory		
Software & Analytical Lab Equipments	-	-
	-	-
Closing Inventory		
Software & Analytical Lab Equipments	6,864,674	-
	6,864,674	-
	<u>(6,864,674)</u>	<u>-</u>

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Note 24 : Employee benefits expenses

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries	14,307,136	571,783
Gratuity	199,999	-
Provident Fund	293,157	-
Staff Welfare	402,309	-
	15,202,601	571,783

Note 25 : Finance Cost

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Expenses	17,735,387	2,192,031
Bank Charges	91,153	3,376
Discounting Charges	39,200	-
	17,865,740	2,195,407

Note 26 : Other Expenses

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Rent Expenses	29,742,784	23,547,658
Printing & Stationery	368,682	202,274
Electricity Charges	1,317,976	671,153
Travelling & Conveyance	3,599,802	420,653
Lodging & Boarding Expense	216,910	-
Security Expenses	506,487	421,321
House Keeping Expenses	411,611	223,165
Water Charges	109,465	254,003
Communication Costs	964,552	214,682
Transportation Charges	350,272	-
Foreign Exchange Fluctuation (net)	512,104	-
Repair & Maintenance - Machinery	145,630	-
Sundry balance Written off	117,706	-
Legal & Professional Charges	848,809	465,181
Software Maintenance Charges	28,224,925	6,528,116
Advertisement Expenses	101,610	82,700
Listing Fees	61,798	96,470
Registrar Charges	-	41,329
Auditor's Remuneration	898,880	160,113
Other Miscellaneous Expenses	2,459,737	479,718
	70,959,741	33,808,536

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Remuneration to Auditors (including Service Tax)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
For Audit Fees	561,800	112,360
For Tax Audit	280,900	33,708
For Other Services	56,180	14,045
	898,880	160,113

Note 27 : Earnings Per Equity Shares

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Basic Earnings per Share		
Profit / (Loss) attributable to Equity shareholders	8,677,074	(13,416,115)
Weighted average number of equity shares	5,000,600	5,000,600
Basic Earnings Per Share	1.74	(2.68)
Dilutive Earnings per Share		
Profit / (Loss) after adjusting interest on potential equity shares	8,677,074	(13,416,115)
Weighted average number of equity share after considering potential equity shares	5,000,600	5,000,600
Dilutive Earnings per Share	1.74	(2.68)

Note 28 : Accompanying Notes to Accounts

1) In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

2) Contingent Liabilities not provided for :-

Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. Nil (Previous year Rs. 20,00,00,000/-).

3) Disclosure pursuant to Accounting Standard – 15 'Employee Benefits' :

Actuarial assumption:

Services Rendered	Year Ended March 31, 2014	Year Ended March 31, 2013
Salary Growth *	10%	-
Discount Rate	9.29%	-
Withdrawal Rate	10%	-

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Accompanying Notes to the financial statements for the year ended March 31, 2014

- (i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Present value of obligation as at the beginning of the year:	-	-
Interest cost	-	-
Current service cost	-	-
Benefits paid	-	-
Actuarial (gain) / loss on obligation	199,999	-
Closing Present value of obligation	199,999	-

- (ii) Actuarial gain/ loss recognised in the Statement of Profit and Loss:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Actuarial gain/ (loss) for the year obligation	199,999	-
Total (gain)/ loss for the year	-	-
Actuarial (gain)/ loss recognised during the year.	199,999	-

- (iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Present value of obligation as at the end of the year	(199,999)	-
Funded value of assets (unfunded)	-	-
Net assets / (liability) recognised in balance sheet	(199,999)	-

- (iv) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	199,999	-
Expenses recognised in the statement of profit and loss	199,999	-

- 4) (a) The Company had paid an amount of Rs. 25,00,00,000/- to The Jammu and Kashmir Bank (J & K Bank) as an advance towards purchase of "Sigmaplot Software product range and Systat Software product range" (herein referred as "Softwares") which was mortgaged to the J & K Bank by one of its clients, Cranes Software International Limited (CSIL) who had defaulted with the J & K Bank. On the payment of the said amounts, the Company has been assigned the global sales and marketing rights of these Softwares. However, due to pending valuation and transfer of ownership rights of these softwares to the Company, the said advance is disclosed under the head Capital Advances in Note no. 13 "Long-Term Loans and Advances".
- (b) During the previous year, the Company had entered into a contract with CSIL for upgradation of these softwares at a cost which is to be charged monthly on time basis. During the year, the Company has incurred a cost of Rs.2,58,02,520 (P.Y. Rs.75,49,002/-) on the upgradation of these softwares which is also disclosed under Capital Advances in Note no. 13 "Long-Term Loans and Advances".

Accompanying Notes to the financial statements for the year ended March 31, 2014

5) Related Party disclosures

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

For the Year Ended 31st March, 2014

i) List of related parties

Name of the Party	Relationship
Mr. Ziaulla Sheriff	Managing Director
Mr. Maddur Mohankumar	Director
Mr. Laxminarayan Purohit	Director

ii) Transactions with Related Parties : (Amount in Rs.)

Name of Party	Nature of Transaction	Year ended March 31, 2014
Mr. Ziaulla Sheriff	Travelling Expenses	48,675
Mr. Ziaulla Sheriff	Rent Expenses	12,514,096
Mr. Ziaulla Sheriff	Loan taken	307,373,794
Mr. Ziaulla Sheriff	Loan repaid	299,573,794

iii) Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2014
Mr. Ziaulla Sheriff	Rent Payable	20,502,322
Mr. Ziaulla Sheriff	Loans Payable	191,756,642

For the Year Ended 31st March, 2013

i) List of related parties

Name of the Party	Relationship
Mr. Ziaulla Sheriff	Managing Director
Mr. Maddur Mohankumar	Director
Mr. Laxminarayan Purohit	Director

ii) Transactions with Related Parties : (Amount Rs.)

Name of Party	Nature of Transaction	Year ended March 31, 2013
Mr. Ziaulla Sheriff	Travelling Expense	240,000
Mr. Ziaulla Sheriff	Rent Expenses	9,547,800
Mr. Ziaulla Sheriff	Loan taken	183,652,949

iii) Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2013
Mr. Ziaulla Sheriff	Payable	7,665,000
Mr. Ziaulla Sheriff	Loan Payable	183,956,642

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

6) Segment Information

The Company is operating in single business i.e Software and Analytical Lab Equipments and as such all business activities revolve around this segment. Hence, there is no separate segment to be reported considering the requirement of segment reporting as per AS-17 pursuant to Companies (Accounting Standards) Rules 2006.

7) The Company had during the previous year taken an office premises under cancellable operating lease agreements that are renewable at the option of both the lessor and lessee. An amount of Rs. 2,97,42,824 (P.Y. Rs. 2,35,47,658) is recognised as lease expense in the Statement of Profit and Loss for the year ended 31st March, 2014. The future guaranteed lease payments under non cancellable portion of cancellable lease are as follows:-

Accompanying Notes to the financial statements for the year ended March 31, 2014

(Amount in Rs.)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
- Less than one year	27,251,830	26,699,830
- Later than one year but not later than five years	58,677,631	84,549,461
- Later than five years	-	-
TOTAL	85,929,461	111,249,291

8) Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss

(a) Value of Imports on C.I.F Basis:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Purchase of Softwares & Analytical Lab Equipments	10,641,743	-
	10,641,743	-

b) Earnings in Foreign Currency

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Sales	25,139,720	-
Software Development Services	43,748,580	17,067,447
Business Facilities Income	14,237,564	883,380
	83,125,864	17,950,827

(c) Expenditure in foreign currency:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Staff Welfare	402,309	-
Travelling Expenses	183,719	-
TOTAL	586,028	-

9) Information pursuant to para 5(ii) and 5(iii) of the General Instructions to the Statement of Profit and Loss

Particulars of sales and inventory position:

Traded Goods	Year Ended March 31, 2014		
	Sales	Closing Inventory	Opening Inventory
Software and Analytical Lab Equipments	108,541,229	6,864,673	-
	(-)	(-)	(-)

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

For S G C O & Co
Chartered Accountants
Firm Reg. No. : 112081W

Starcom Information Technology Limited

Sd/-
Suresh Murarka
Partner
Mem. No. 044739

Sd/-
Ziaulla Sheriff
Managing Director
DIN 00002098

Sd/-
Mohan Kumar MG
Director
DIN 00020029

Place : Mumbai
Date : 29th May, 2014

Place : Bengaluru
Date : 29th May, 2014

STARCOM INFORMATION TECHNOLOGY LIMITED

Registered Office: #73, Sheriff Centre, St. Marks' Rd, Bangalore 560001

ATTENDANCE SLIP

Annual General Meeting on Tuesday, 23rd December 2014 at 10.30 a.m. at No. 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore 560008

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

DP Id*		Registered Folio No.	
--------	--	----------------------	--

Client Id*

NAME AND ADDRESS OF THE MEMBER:

No. of Share(s) held:

I hereby record my presence at the Nineteenth Annual General Meeting of the Company on Tuesday, 23rd December 2014 at 10.30 a.m. at No. 150, Diamond District Club House, Old Airport Road, Kodihally, Bangalore 560008.

Signature of the Member/Proxy _____

* Applicable for investors holding shares in electronic form.

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L67120MH1995PLC085704
Name of the Company : Starcom Information Technology Limited
Registered office : #73, Sheriff Centre, St. Marks' Road, Bangalore-560001

19th Annual General Meeting-23rd December 2014

Folio no. /Client ID:
DP ID:

I/We being a Member(s) of _____ shares of the above named company, hereby appoint

1. Name:..... Emailld:.....

Address:.....

2. Name:..... Emailld:.....

Address:.....

Signature:....., or failing him/her

3. Name:..... Emailld:.....

Address:.....

Signature:....., or failing him/her

Address:.....

Signature:....., or failing him/her

as my/our proxy to vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Tuesday, 23rd December 2014 at 10.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Table with 4 columns: Res. No., Description, For*, Against*. Rows include Ordinary Business, Adoption of Balance Sheet, Appointment of Director, Appointment of Statutory Auditors, and Appointment of Non-Executive Director.

Affix
Re. 1/-
Revenue
Stamp

Signed

Place:

Signature of Shareholder:.....

Signature of proxy holder(s):.....

* Applicable for Members holding shares in electronic form.

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

Courier

If undelivered, please return to,

STARCOM INFORMATION TECHNOLOGY LIMITED

#73, Sheriff Centre, St. Marks' Rd,

Bangalore 560001

FORM B

Covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Starcom Information Technology Limited
2	Annual financial statements for the year ended	31 st March 2014
3	Type of Audit qualification	Observation
4	Frequency of qualification	Appeared first time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	The relevant response is given in Directors' Report under the heading Management reply to the Auditors' Report
	Additional comments from the board/ audit committee chair:	NA
5	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	

For S G C O & Co.
Chartered Accountants
Firm Reg. No. 112081W


Suresh Murarka
Partner
Mem No. 44739

For Starcom Information Technology Ltd.


Managing Director