

**June 21, 2024**

To,  
Asst. General Manager,  
Dept. of Corporate Services.  
**BSE Limited,**  
14th Floor, P.J. Towers, Dalal Street,  
Fort, Mumbai: 400 001, Maharashtra, Mumbai

**Subject: Notice along with Annual Report for the F.Y. 2023-24/  
Record date for Dividend.  
Scrip code: 538891 | Script ID: M CLOUD**

Dear Sir/ Madam,

In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached herewith is a copy of the Notice of the 43<sup>rd</sup> Annual General Meeting along with Annual Report of the Company for the F.Y. 2023-24.

Further, The Board of Directors in its Meeting held on Thursday, May 30, 2024 recommended dividend of ₹ 0.15 per share (i.e., 1.5% on face value) per Equity share of face value of ₹10/- each fully paid-up of the Company for the financial year ended March 31, 2024 subject to approval of shareholders in the Annual General Meeting.

The Record Date for members eligible for dividend being Saturday, 27<sup>th</sup> July 2024 and the register of members and share transfer books of the company will remain closed from Tuesday, July 09<sup>th</sup>, 2024 to Monday, July 15<sup>th</sup>, 2024 (both days inclusive).

Further, the Record date is also mentioned in the Notice of AGM. The dividend, if approved, shall be paid to the members within 30 days of its approval in the Annual General Meeting i.e., on or before Wednesday, August 14, 2024.

We request you to take the same on your records.

Thanking you,

**FOR MAGELLANIC CLOUD LIMITED**

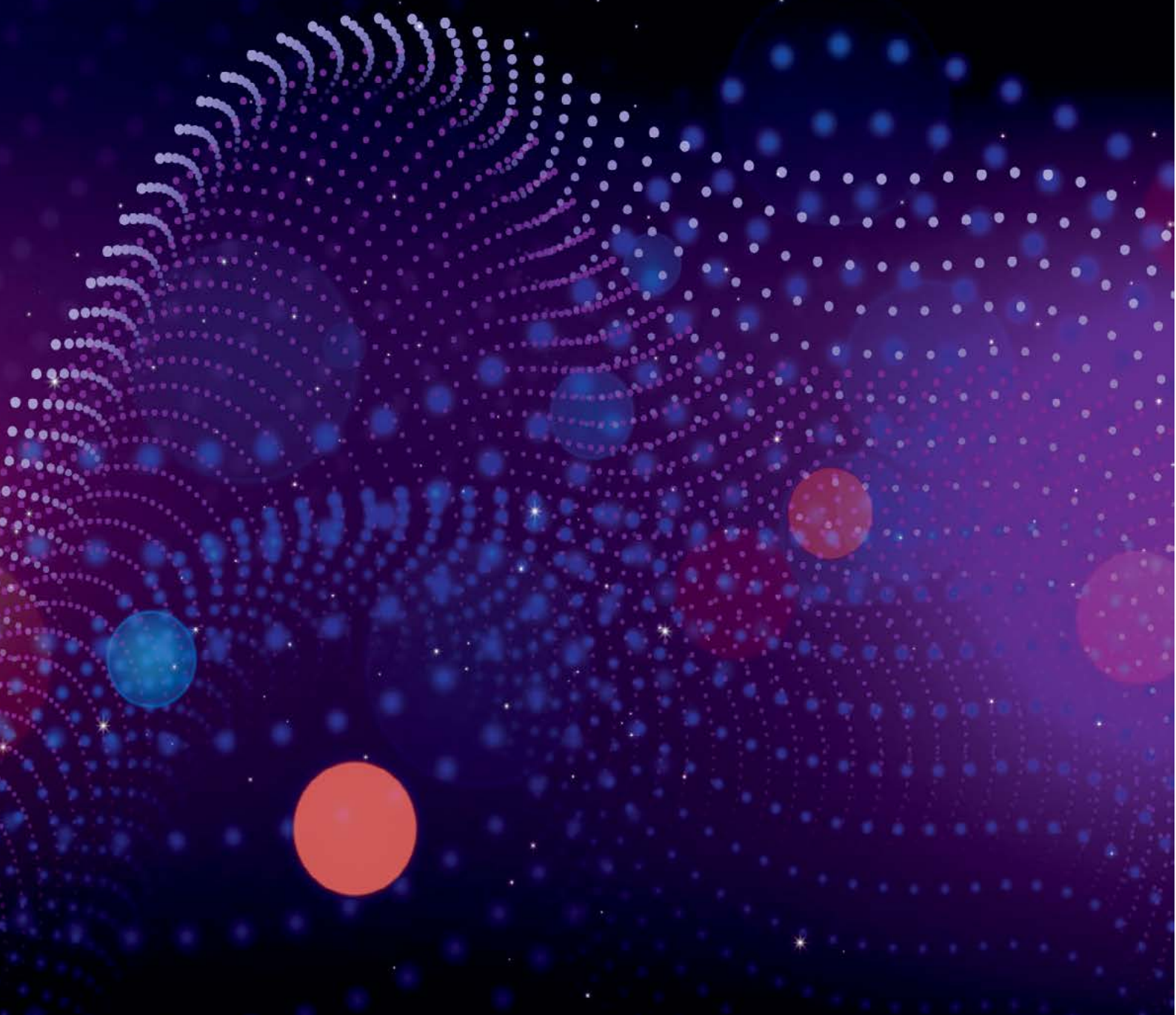
**JOSEPH SUDHEER REDDY THUMMA**  
**(MANAGING DIRECTOR)**  
**DIN: 07033919**  
Encl: As above



# Magellanic Cloud Limited

## Annual Report 2023-24

“Strategic flexibility to adopt technology-driven changes to deliver personalized, digitized high-end solutions is our success mantra.”



## Between the covers

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### Investor information

#### AGM Date

15th July, 2024

#### AGM Mode

Audio/Video Conferencing

#### VC platform and voting

NSDL/CDSL



[www.magellanic-cloud.com](http://www.magellanic-cloud.com)



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### Forward-looking Statements

In this Annual Report we have disclosed forward-looking information to enable investors to know our product portfolio, business logic and direction and comprehend our prospects. This report and other statements – written and oral – that we periodically make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'project' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated or projected. Readers may bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

## Corporate Information

### Board of Directors and KMP:

Mr. Joseph Sudheer Reddy Thumma	:	<i>Managing Director &amp; Global CEO</i>
Mr. Jagan Mohan Reddy Thumma	:	<i>Managing Director</i>
Mrs. Nikitha Tiparnapally	:	<i>Non-Executive, Independent Director</i>
Mr. Elisha Thatisetty	:	<i>Non-Executive, Independent Director</i>
Mr. Robert Alan Forbes Jr.	:	<i>Non-Executive, Independent Director</i>
Mr. Carwin Heierman	:	<i>Executive, Non-Independent Director</i>

### Executive Management:

Mr. Sanjay Mahendra Chauhan	:	<i>Chief Financial Officer</i>
Mr. Sameer Lalwani	:	<i>Company Secretary &amp; Compliance Officer</i>

<b>Statutory Auditors</b>	:	<b>M/s. Bhuta Shah &amp; Co</b> Chartered Accountant 302 Regent chambers Jamnalal Bajaj Marg, Nariman Point, Mumbai Maharashtra-400021
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<b>Internal Auditor</b>	:	<b>M/s. Prabhash A Shah &amp; Associates</b> Chartered Accountant
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<b>Bankers</b>	:	<b>HDFC Bank Hyderabad, Branch</b>
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<b>Registered Office</b>	:	6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Rangareddi, Hyderabad, Telangana – 500032. E-Mail: - Compliance@magellanic-cloud.com Website: www.magellanic-cloud.com
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<b>Registrar and Share Transfer Agent</b>	:	<b>M/s. Niche Technologies Pvt. Ltd</b> 3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata, West Bengal - 700017, India Phone: (033) 2280 6616/17/19 Fax : (033) 2280 6619 E-mail: nichetechpl@nichetechpl.com
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## From the desk of Managing Director & Global CEO

*Dear Shareholders*

Magellanic's Annual General Meeting is a special occasion, and we are pleased to present the Board's report for the past financial year. A year that turned out to be very challenging in many regards, but also a year where Mcloud once again delivered a solid financial performance and good progress on our strategy.

Before the formal presentation of the report, we would however, on behalf of the Board of Directors, like to offer a sincere thank you to every employee in Magellanic Cloud Limited for their dedication and hard work in the past year. They have with their commitment and dedicated efforts, steered the organisation through another year where the after math of the pandemic persisted. All our employees deserve credit for once again enabling the company to cope successfully with the many challenges – and to deliver a solid set of financial results. Thank you.

### **Our Major Achievements:**

- Magellanic Cloud Limited (MCloud) and its subsidiary IMS combined, have successfully secured a significant order from a well-known public sector bank for the end-to-end implementation and management of e-surveillance services for 2000 ATM sites across India. The combined contract, awarded through a competitive bidding process, involves the supply, installation and commissioning of alert-based monitoring and



control system for e-surveillance of the bank's ATM sites.

This landmark contract spans a 5-year period and is anticipated to generate a revenue of approximately ~₹42 crores. The scope of services incorporates cutting-edge features such as remote surveillance, cloud processing & storage, operational insights, actionable intelligence complimented by alarm triggers in real-time, AI-enabled facial recognition, incident detection, reporting & analytics. The scale of the contract positions Magellanic Cloud to achieve healthy profit margins, reinforcing its commitment to delivering top-notch security solutions.

IVIS, the subsidiary of Magellanic Cloud, has experienced a five-fold expansion from production to commissioning by leveraging technology and automation to enhance efficiency and increase production scale. This contract win further solidifies Magellanic Cloud's reputation as a trusted leader in providing comprehensive e-surveillance solutions tailored to meet the evolving needs of the financial sector.

- Your Board of Directors of the Company has approved 100% disposal of its shares in its subsidiary Company Serial Enterprise Foods Private Limited at overall consideration of ₹ 1,21,49,220 /- (Rupees One Crore Twenty-One Lakhs Forty-Nine Thousand Two Hundred and Twenty only) and on such terms and conditions as contained in the Share Purchase Agreement.
- Magellanic Cloud Limited's Subsidiary company has received design and specification license i.e. type certification from Directorate General of Civil Aviation for Cargo and Logistic Drones on 02<sup>nd</sup> February 2024.



- Magellanic Cloud vide its subsidiary Scandron Private Limited has secured its first major logistics drone order from an Indian robotics firm, valued at ₹43 crore.

We are committed to our solid investment in our sustainability efforts as we work toward our vision of becoming the undisputed and sustainable global leader in IT field. We have a dedicated team driving our environmental and social initiatives on the ground, our climate change action, data collection and governance improvements including reporting standards which will allow us to craft a more sustainable future for the business and society.

This marks the end of our note. On behalf of Magellanic's Board of Directors, Executive Management and all employees, we would like to thank our shareholders, business partners, customers and consumers for the interest and trust they have shown our company in the past year.

With warm regards

**Joseph Sudheer Reddy Thumma**

*Managing Director & Global CEO*

We are committed to our solid investment in our sustainability efforts as we work toward our vision of becoming the undisputed and sustainable global leader in IT field.

## Key Financial Highlights

(Amount in ₹ Lakhs)  
(Consolidated Figures)

<b>Statement of Profit &amp; Loss</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Revenue from Operations	17,368	21,194	25,267	42,746	56,042
Operating Profit (EBIDTA)	1,123	363	3,719	12,735	20,118
Profit Before Tax (PBT)	861	121	3,280	9,378	14,055
Profit After Tax (PAT)	654	178	2,946	7,410	10,295
Earnings Per Share of face value of ₹10	2.60	0.71	11.71	6.62	8.81
Dividend Per Share of face value of ₹10	0.5	0.5	0.5	0.15	0.15

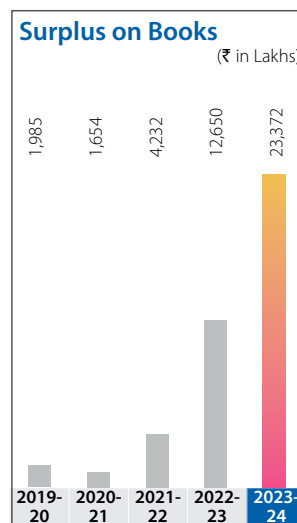
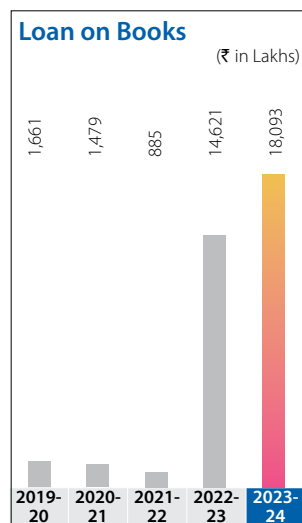
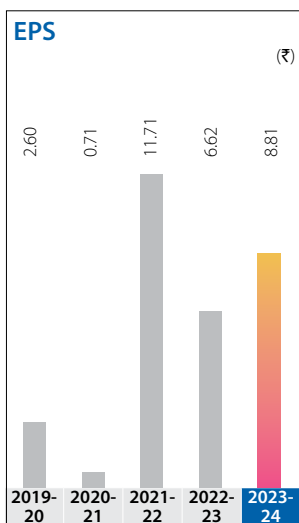
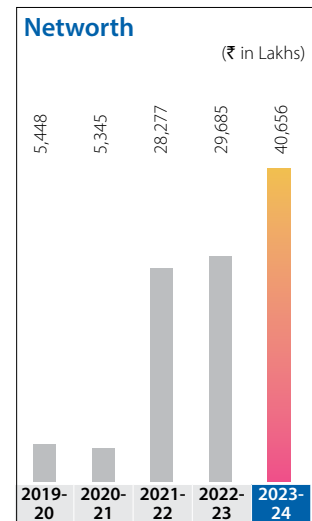
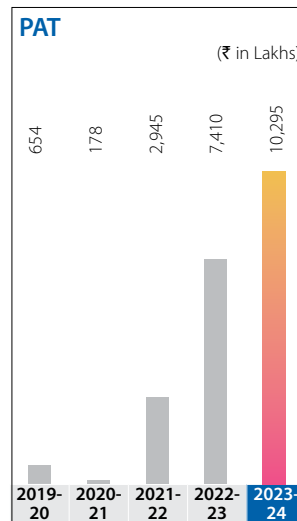
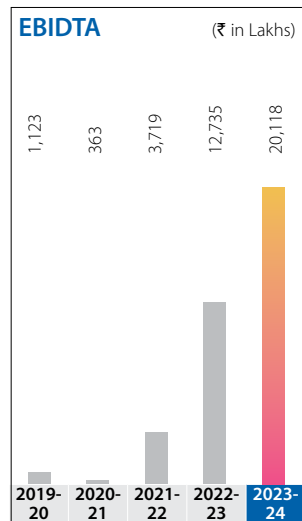
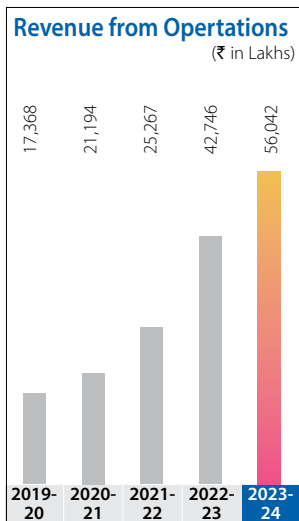
<b>Balance Sheet</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Cash and Cash Equivalents	1,040	596	5,879	5,042	1,079
Fixed Assets (Net)	583	1,824	1,785	7,332	9,980
Net Current Assets (Working Capital)	2,729	4,438	6,889	3,893	14,912

<b>Share Capital</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Equity Shares	2,517	2,517	2,517	11,688	11,688

<b>Reserves and Surplus</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Other Equity (Reserves)	2,932	2,829	5,202	17,998	28,969
Long-term Borrowings	1,864	297	6,287	14,621	18,093

<b>Others/Shareholders</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Magellanic's Share Price on BSE on face value of ₹10	7.56	16.35	98.89	191.55	469.2
Market Capitalisation	1,902	4,114	24,887	2,23,881	5,48,396
Networth	5,448	5,345	28,277	29,685	40,656

Our performance pivoted around prudent financial management strategy that empowers us to maximise returns from investments and ensures efficient resource allocation for driving a dynamic organisation.



Note: The difference in EPS is because of increase in share capital due to Bonus issue in FY 2023.





## Notice of Annual General Meeting

**NOTICE** is hereby given that the 43rd Annual General Meeting of the Members of Magellanic Cloud Limited will be held on Monday, July 15th, 2024, at 12:00 P.M. (IST) through Video Conference (VC) to transact the following business(es):

### ORDINARY BUSINESS:

#### 1. Adoption of Accounts – Standalone and Consolidated

To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended on March 31, 2024, together with the Reports of the Board of Directors and Auditor's thereon.

#### 2. Declaration of Dividend

To declare a Dividend of ₹ 0.15 per share (i.e. 1.5% on face value) per Equity share of face value of ₹10/- each fully paid-up of the Company for the financial year ended on March 31, 2024.

#### 3. Appointment of a Director retiring by rotation

To appoint a Director in place of Mr. Carwin Heierman (DIN: 08458981), who retires by rotation, and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Mr. Carwin Heierman (DIN: 08458981), as a Director, to the extent that he is required to retire by rotation."

### SPECIAL BUSINESS:

#### 4. Re-appointment of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) as a Managing Director designated as Global CEO of the Company:

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any

statutory modification(s) or re-enactment thereof for the time being in force), recommendation by Nomination and Remuneration Committee, approval of the Members be and is hereby accords its approval to the re-appointment of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) as the Managing Director for a further period of 5 years w.e.f. June 10, 2024 (From 10.06.2024 to 09.06.2029) on the remuneration and on such terms and conditions as may be decided by the Board of Directors and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Joseph Sudheer Reddy Thumma.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Mr. Joseph Sudheer Reddy Thumma, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed herein and in Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to

give effect to this resolution."

#### 5. Increase in Authorized Share Capital of the Company and consequent Alteration in Capital Clause of the Memorandum of Association of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the existing Rs. 175,00,00,000/- (Rupees One Hundred Seventy-Five Crores Only) divided into 17,50,00,000 (Seventeen Crores Fifty Lacs



Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

*"The Authorized Share Capital of the Company is INR 200,00,00,000/- (Indian Rupees Two Hundred Crores only) divided into 20,00,00,000 (Twenty Crores Only) equity shares of INR 10/- (Indian Rupees Ten only) each with power of the company to increase or reduce the capital and the shares in the capital for the time being into several classes and to attach thereto respectively such preferential differed qualified or special rights, privileges or conditions and to vary or modify or abrogate any such rights, privileges or conditions as may for the time being be provided by the regulations of the company and to issue any part of its capital original or increased with or without any preference priority or special privileges or subject to any postponement of any conditions or restrictions and that unless the conditions of issue shall otherwise expressly declare every issue of share whether declared to preference or otherwise shall be subject to the power herein before contained."*

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions, Any Director/ KMP of the Company be and hereby are severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and / or incidental thereto, and to execute all deeds, applications, documents, filing of documents with Stock Exchange, filing of e-forms with ROC and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things, from time to time, as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Company Secretary or Officer(s) of the Company as may be required to give effect to the above resolution."

**6. Sub-division (Stock Split) of every 1 (One) equity share of face value of Rs. 10/- each into 5 (Five) equity shares of Face Value of Rs. 2/- each.**

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 61(1)(d), 64, and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant

Rules framed thereunder and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof from time to time] and the provisions of Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the authorities concerned, consent of the members of the Company be and is hereby accorded that every existing 1 (One) equity share of the Company having face value of Rs. 10/- (Rupees Ten only) each fully paid up be sub-divided (stock split) into 5 (Five) equity shares of face value of Rs. 2/- (Rupees Two only) each fully paid up and consequently the Authorised, Issued, Subscribed and Paid-up Share Capital of the Company be sub-divided with effect from the Record Date as may be fixed for the purpose.

**RESOLVED FURTHER THAT** pursuant to the sub-division (stock split) of the equity shares of the Company, Issued, Subscribed and Paid-up Equity Share of the Company having face value of Rs. 10/- (Rupees Ten only) each fully paid up existing on the Record Date to be fixed by the Company shall stand subdivided (stock split) into 5 (Five) equity shares of face value of Rs. 2/- (Rupees Two only) each fully paid up, without altering the aggregate amount of such capital and such shares shall rank pari- passu in all respects with the then existing equity shares with effect from the Record Date.

**RESOLVED FURTHER THAT** upon sub-division/ split of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and shall be of no effect on and from the Record Date and the Board without requiring the members to surrender their existing share certificate(s), shall directly issue and dispatch the new share certificate(s) of the Company with equity shares of face value of Rs. 2/- (Rupees Two Only) fully paid up in lieu of such existing share certificates subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and shall comply with the prevailing laws/ guidelines in this regard; and in case of members who hold the equity shares in dematerialized form, the sub-divided equity shares of face value of Rs. 2/- each fully paid up shall be credited proportionately to the respective beneficiary demat account of the Members held with their respective depository participants, in lieu of the existing credits present in their respective beneficiary Demat accounts and the Company shall undertake such corporate action(s) as may be necessary in relation to the equity shares, whether in



physical form or in dematerialized form.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions, Any Director/ KMP of the Company be and is hereby severally authorized to fix the record date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and / or incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company including filing of documents with Stock Exchange, filing of Corporate Action documents with the Depositories, filing of e-forms with ROC and generally to do all such acts, deeds, matters and things, from time to time, as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Company Secretary or Officer(s) of the Company as may be required to give effect to the above resolution."

**7. Alteration of Capital Clause of the Memorandum of Association of the Company consequent upon Sub Division/ Stock Split:**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules framed thereunder and applicable regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof from time to time], and subject to approval by the members of the Company for Increase in Authorized Share Capital of the Company to Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) & consequent Alteration in Capital Clause of the Memorandum of Association of the Company as mentioned under Item no. 5 and subject to approval by the members of the Company for sub-division of the equity shares/ Stock Split as mentioned under Item no. 6, consent of the members of the Company be and is hereby accorded to alter Authorised Share Capital of the Company from Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each to Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 100,00,00,000 (One Hundred Crores) Equity Shares of the face value of Rs. 2/- (Rupees Two

Only) each.

**RESOLVED FURTHER THAT** existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted as follows:

*"The Authorized Share Capital of the Company is INR 200,00,00,000/- (Indian Rupees Two Hundred Crores only) divided into 100,00,00,000 (One Hundred Crores) equity shares of INR 2/- (Indian Rupees Two only) each with power of the company to increase or reduce the capital and the shares in the capital for the time being into several classes and to attach thereto respectively such preferential differed qualified or special rights, privileges or conditions and to vary or modify or abrogate any such rights, privileges or conditions as may for the time being be provided by the regulations of the company and to issue any part of its capital original or increased with or without any preference priority or special privileges or subject to any postponement of any conditions or restrictions and that unless the conditions of issue shall otherwise expressly declare every issue of share whether declared to preference or otherwise shall be subject to the power herein before contained."*

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions, Any Director/KMP of the Company of the Company be and hereby are severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and / or incidental thereto, and to execute all deeds, applications, documents, filing of documents with Stock Exchange, filing of e-forms with ROC and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things, from time to time, as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Company Secretary or Officer(s) of the Company as may be required to give effect to the above resolution."

**8. Approval of the scheme of merger of Magellanic Cloud Limited ('Transferee Company') with IVIS International Private Limited ('Transferor Company') through fast track route of merger as provided under Section 233 of the Companies Act 2013:**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 233 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other relevant and applicable provisions, if any, of

the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force), applicable Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements 2015) (as amended from time to time) and other applicable provisions of the regulations and guidelines issued by Securities and Exchange Board of India and in accordance with the provisions of the Memorandum and Articles of Association of the Company, and subject to such terms and conditions and modification(s), as may be imposed, prescribed and suggested by the appropriate statutory authorities and subject to such other approvals, consents, permissions, and/or sanctions of any appropriate statutory authorities, bodies or institution(s), and subject to the approval of the shareholders and the creditors of the Company and subject to the sanction of Regional Director, South-East Region, Hyderabad or such other competent authority, as the case may be, the consent of the Members of the Company be and is hereby accorded for approving the merger of Magellanic Cloud Limited ('Transferee Company' or 'Holding Company') with IVIS International Private Limited ('Transferor Company' or 'Wholly Owned Subsidiary of the Holding Company') and the Scheme of Merger for the same be and is hereby approved and shall become effective from 1st April, 2024 (the Appointed Date).

**RESOLVED FURTHER THAT** any of the Director and/or Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme of Merger embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Regional Director, Southeast Region, Ministry of Corporate Affairs, Hyderabad, if and when applicable while sanctioning the Scheme of Merger embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit

and proper.

**RESOLVED FURTHER THAT** the copies of the foregoing resolutions certified to be true copies by a Director and/or Key Managerial Personnel to be furnished to all concerned as may be necessary."

**9. Re-appointment of Mr. Elisha Thatisetty (DIN: 08531842), as an Independent Director of the Company for a Second term:**

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

**"RESOLVED THAT** pursuant to Section 149 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law as may be applicable, Mr. Elisha Thatisetty (DIN: 08531842), who was appointed as an Independent Director of the Company with effect from August 14, 2019 at the Annual General Meeting held on September 28, 2020, for a term of five years and who holds office of the Independent Director upto July 13, 2024 and who has submitted a declaration that he meets the criteria of independence as provided in the Act and the Listing regulations, and is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years with effect from July 14, 2024 to July 13, 2029.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** the certified copies of this resolution be provided to those concerned under the hands of a Director or the Company Secretary wherever required."

By Order of the Board of Directors  
**Joseph Sudheer Reddy Thumma**  
 Managing Director  
 [DIN: 07033919]

Dated: 30th May, 2024  
 Place: Hyderabad

**Registered Office:**

6th Floor, Dallas Center, 83/1, Plot No A1,  
 Knowledge City, Rai Durg, Hyderabad,  
 Telangana – 500032.



## NOTES:

Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, read with other related circulars including General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs, ("MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with other related SEBI circulars including Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI ("SEBI Circulars"), companies are allowed to hold AGM through VC/ OAVM, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/ OAVM. Electronic copy of the Annual Report for the financial year 2024 is being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2024 and Notice of the 43<sup>rd</sup> AGM of the Company, may send request to the Company's e-mail address at [compliance@magellanic-cloud.com](mailto:compliance@magellanic-cloud.com) mentioning 9 Folio No./DP ID and Client ID.

Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.

The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 4 to 9 of the Notice, are annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

### 1. Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 09<sup>th</sup>, 2024, to Monday, July 15<sup>th</sup>, 2024 (both days inclusive).

- As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings

to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents- M/s. Niche Technologies Pvt. Ltd for assistance in this regard.

- To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. **NICHE TECHNOLOGIES PRIVATE LIMITED**, Unit: Magellanic Cloud Limited. (Share Transfer Agent) at 3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata 700 01, West Bengal.
- Tel: 033- 2280 6616/17/18; Fax: 033-2280 6616, Web Site: [www.nichetechpl.com](http://www.nichetechpl.com), email: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com) in case the shares are held in physical form.
- In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not in cashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend, and debenture interest amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. Members are requested to contact the Company's Registrar

and Share Transfer Agent to claim the unclaimed/unpaid dividends at the following address: M/s. Niche Technologies Private Limited.

7. Updation of Members' Details:  
Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.  
The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled-in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.
8. Nomination Facility: As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to **Mr. Sameer Lalwani (Company Secretary & Compliance Officer) at [compliance@magellanic-cloud.com](mailto:compliance@magellanic-cloud.com)**
10. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2023-24 will also be available on the Company's website at [www.magellanic-cloud.com](http://www.magellanic-cloud.com), on the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Depository.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

#### Instructions for Voting through electronics means:

1. In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 as amended from time to time, provisions of Section 108 and other applicable provisions of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 43<sup>rd</sup> Annual General Meeting (AGM) by electronic means ("e-Voting") and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
2. The Remote E-voting facility will commence from 9.00 AM (IST) on Friday, July 12, 2024, and will end at 5.00 PM(IST) on Sunday, July 14, 2024. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by CDSL upon expiry of aforesaid period.
3. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the **cut-off date i.e., Monday, July 08th, 2024.**
4. The Board of Directors at their meeting held on 30<sup>th</sup> May, 2024 has appointed Mr. Deep Shukla, Practicing Company Secretary (Membership No. FCS 5652) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper, if any, at the AGM in a fair and transparent manner.
5. The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than 3 (three) days from the conclusion of the AGM make a consolidated Scrutinizer's report and submit the same to the Chairman of the meeting.
6. In order to increase the efficiency of the voting process, SEBI has decided to enable e-voting to all the demat account holders (including public non-institutional shareholders/retail shareholders) by way of a single login credentials, through their Demat accounts or websites of Depositories/Depository Participants. Demat account holder shall be able to cast their vote without having register again with the e-voting service providers.
7. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method **for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode** (Remote e-voting and e-voting at the AGM) is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

Any person who becomes a Member of the Company after sending of Annual Report and holding shares as on cut-off date i.e. **Monday, July 08, 2024**, shall also follow then procedure stated herein for login details.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Instructions to corporates, institutional investors, custodians and shareholders holding shares in physical mode: (Remote e-voting and e-voting at the AGM):**

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - ii) Click on "Shareholders" module.
- 3) Now enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iii) Next enter the Image Verification as displayed and Click on Login.
  - iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- v) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
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"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the date of Birth as recorded in your demat account or in the company records for the said demat amount or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both 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 (3).</li> </ul>

After entering these details appropriately, click on "SUBMIT" tab.

Members holding shares in physical form will then directly reach 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 this password is also to 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 take utmost care to keep your password confidential.





For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the relevant **Magellanic Cloud Limited** (Formerly known as South India Projects Limited) on which you choose to vote.

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.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### **Facility for Non – Individual Shareholders and Custodians –Remote Voting:**

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
3. After receiving the login details they have to create 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.
4. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
5. 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.

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.com](http://www.evotingindia.com) under

help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VIDEO CONFERENCING (VC) MEETING, ARE AS UNDER:**

The procedure for attending meeting & e-Voting on the day of the AGM/ is same as the instructions mentioned above for e-voting.

The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e- voting.

Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the /AGM.

If any Votes are cast by the shareholders through the e-voting available during the /AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## EXPLANATORY STATEMENT PRUSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 4: Re-appointment of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) as a Managing Director designated as Global CEO of the Company:

At the meeting of the Board of Directors of the Company held on 30th May, 2024 on the recommendation of the Nomination and Remuneration Committee, Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919), was re-appointed as the Managing Director designated as Global CEO of the Company for another period of five years, w.e.f. 10th June, 2024 (From 10.06.2024 to 09.06.2029) on the terms of remuneration as may be decided by the Board of the Directors, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Act or any statutory amendment or relaxation thereof:

A brief resume of Mr. Joseph Sudheer Reddy Thumma is provided in the annexure to the Notice. This resolution is being proposed as a special resolution in view of the relevant provisions of Schedule V to the Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits.

Mr. Joseph Sudheer Reddy Thumma is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment. Relatives of Mr. Joseph Sudheer Reddy Thumma may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the special resolution set out in Item No. 4 for approval by shareholders.

### Item No. 5 - Increase in Authorized Share Capital of the Company and consequent Alteration in Capital Clause of the Memorandum of Association of the Company.

The Current Authorized Capital of the Company is Rs. 175,00,00,000/- and the Paid-up Share Capital of the Company is Rs. 116,87,90,240/-. To meet the long-term working capital needs of the Company it is proposed by the Board to induce additional funds by way of increase in the Share Capital. Your Board at its meeting held on 30th May, 2024 subject to the approval of the shareholders, and receipt of such other statutory/regulatory approvals, as may be required, has proposed to increase the Authorized Share Capital of the Company from Rs. 175,00,00,000/- (Rupees One Hundred Seventy-Five Crores Only) divided into 17,50,00,000 (Seventeen Crores Fifty Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of Rs.

10/- (Rupees Ten Only) each.

The proposed increase of Authorized Share Capital of the Company requires approval of the Members at a General Meeting. Consequent upon the increase in Authorized Share Capital of the Company, Capital Clause of the Memorandum of Association of the Company will require alteration so as to reflect the increase in the Authorized Share Capital. A draft copy of the Memorandum and Articles of Association of the Company along with the proposed amendments is available for inspection by the members at the Registered Office of the Company between 11:00 AM and 5:00 PM on all working days between Monday to Friday from the date of dispatch/ email of the AGM Notice till one day before the AGM.

None of the Director(s), Key Managerial Personnel and their relatives are directly or indirectly concerned or interested, financially or otherwise in the resolutions at Item No. 5 of the Notice except to the extent of their shareholding.

Accordingly, the Board of Directors of your Company recommend the Resolution set out in Item No. 5 of this Notice for the approval of the Members by way of passing a Special Resolution.

### Item Nos. 6 Sub-division (Stock Split) of every 1 (One) equity share of face value of Rs. 10/- each into 5 (Five) equity shares of Face Value of Rs. 2/- each.

The equity shares of the Company are listed and actively traded on BSE Limited.

In order to provide enhanced liquidity to the Company's equity shares in the stock market, to widen shareholder base and to make it more affordable/ accessible for small investors in the Stock Market, it is proposed to sub-divide each equity share of face value of Rs. 10/- each into 5 equity shares of face value of Rs. 2/- each pursuant to the provisions of Section 61(1) (d) of the Companies Act, 2013 ("the Act"), the rules made thereunder and other applicable provisions. The proposed sub-division (stock split) of shares will not have any effect/result on the voting percentage/ rights of any shareholders of the Company.

The record date for the aforesaid sub-division of equity shares shall be fixed by the Board after the approval of the members is obtained for the proposed sub-division (stock-split).

In the opinion of the Board, proposed sub-division of the equity shares is in the best interest of the Company and its investors and therefore the Board at its meeting held on 30th May, 2024, approved the aforesaid sub-division subject to requisite approval of the members. There will not be any change in the amount of authorized, subscribed and paid-



up share capital of the Company consequent upon sub-division of equity shares.

Presently, the Authorized Share Capital of your Company is Rs. 175,00,00,000/- divided into 17,50,00,000 Equity Shares of Rs. 10/- each. The Authorized Share Capital of your Company after considering the increase in the Authorized Share Capital of the Company as mentioned in Item No. 5 will be Rs. 200,00,00,000/- divided into 20,00,00,000 Equity Shares of Rs. 10/- each.

Presently, the Issued, Subscribed and Paid-up Capital of your Company is Rs. 116,87,90,240/- divided into 11,68,79,024 Equity Shares of Rs. 10/- each. Pursuant to the Sub-division/ Stock Split, the Issued, Subscribed and Paid-up Capital of your Company will be Rs. 116,87,90,240/- divided into 58,43,95,120 Equity Shares of Rs. 2/- each. The sub-division of equity shares proposed under Item No. 6 of this Notice shall also require consequential amendment to the Clause V of the Memorandum of Association of the Company as set out under Item No. 7 of this Notice.

None of the Director(s), Key Managerial Personnel and their relatives are directly or indirectly concerned or interested, financially or otherwise in the resolutions at Item No. 6 of the Notice except to the extent of their shareholding and shares which may be allotted to them as part of this Sub-division/ Stock Split.

Accordingly, the Board of Directors of your Company recommend the Resolution set out in Item No. 6 of this Notice for the approval of the Members by way of passing an Ordinary Resolution.

**Item No. 7- Alteration of Capital Clause of the Memorandum of Association of the Company consequent upon Sub Division/ Stock Split:**

The aforesaid sub-division of each equity share of Rs. 10/- (Rupees Ten only) each into Five (5) equity shares of Rs. 2/- (Rupees Two only) each fully paid would require amendment to existing Capital Clause V of the Memorandum of Association. After approval of the resolutions set out at Item No. 5 and 6 the Board of Directors thereof will fix the record date for the purpose of ascertaining the list of members whose shares shall be sub-divided, as proposed above and the same shall be notified to the members through appropriate medium.

A draft copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company between

11:00 AM to 5:00 PM on all working days from Monday to Friday from the date of the dispatch/ email of the AGM Notice till 14th July, 2024.

None of the Director(s), Key Managerial Personnel and their relatives are directly or indirectly concerned or interested, financially or otherwise in the resolutions at Item No. 7 of the Notice except to the extent of their shareholding.

Accordingly, the Board of Directors of your Company recommends the Resolution set out in Item No. 7 of this Notice for the approval of the Members by way of passing a Special Resolution.

**Item No 8: Approval of the scheme of merger of Magellanic Cloud Limited ('Transferee Company') with IVIS International Private Limited ('Transferor Company') through fast-track route of merger as provided under Section 233 of the Companies Act 2013:**

With a view to achieve better synergies by downsizing the number of subsidiaries and to create sustainable value for stakeholders, it is proposed to merge one of your company's wholly owned subsidiary viz., IVIS International Private Limited (hereinafter referred to as the "Transferor Company") with their parent Company i.e Magellanic Cloud Limited ("the Company"/"Transferee Company").

The Company is intend to file an application seeking approval of scheme of merger (Scheme") between Magellanic Cloud Limited (hereinafter referred to as the "Transferee Company") and IVIS International Private Limited (hereinafter referred to as the "Transferor Company") with the Hon'ble, Regional Director, South-East Region, Hyderabad, seeking approval of the scheme of merger ("Merger Scheme") through fast-track route in accordance with section 233 of the Companies Act, 2013.

The Scheme was approved by the board of directors of the transferor and the transferee Companies on 13th May, 2024. The Board recommends the resolution for the approval of the Shareholders.

This statement is being furnished as required under section 233 and Section 102 of the Companies Act, 2013 (the "Act") read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").

Details of the order of the tribunal directing the calling, convening and conducting of the meeting: - **The clause is not applicable.**

Details of the companies:

### Transferor Company:

Name of the Transferor Company	IVIS International Private Limited
CIN	U74900TG2014PTC170088
PAN	AADCI6880Q
Date of Incorporation	28/10/2014
Type of Company	Private limited Company
Registered Office Address, Valid email id	3rd Floor, Western Dallas Centre Survey No.83/1, Raidurg Village, Serlingampally Hyderabad Rangareddi, TG 500032 Email id: murali@ivis.net
Summary of Main object as per memorandum of association	Business of surveillance to use innovation to prevent theft and vandalism.
Main Business carried on by the company	Business of surveillance to use innovation to prevent theft and vandalism.
Details of Change of name, registered office, and objects of the company during the last five years	Not Applicable
Name of the stock exchange(s) where securities of the company are listed	Not Applicable
Authorized Capital	Rs. 19,00,00,000 divided into 1,90,00,000 Equity Shares of Rs.10/- each.
Issued, subscribed and Paid up capital	Rs. 14,15,72,190 divided into 1,41,57,219 Equity Shares of Rs. 10/- each.
Names of the promoters and directors along with their addresses	<ul style="list-style-type: none"> <li>• <b>Prabhakara Rao Bollina</b> – HNo. 2-1/1, Kotta Ramachandrapuram, Pedavegi Mandal, Bapirajugudem, West Godavari, Andhra Pradesh – 534457.</li> <li>• <b>Rachapoodi Venkata Nagendra Murali Mohan</b> - 8-3-1116/3, Kesheva Nagar, Near Bank of Baroda, Sri Nagar Colony, Khairatabad, Hyderabad, Andhra Pradesh – 500073.</li> <li>• <b>Ameeruddin Syed</b> – Flat No.301, Hilltons Crystal, H.No.8-2-293/K/140/, Kamalपुरi Colony, Andhra Bank, Phase-3, Khairatabad, Hyderabad, Telangana – 500073.</li> <li>• <b>Tiparnapally Nikitha</b> - Plot No. 95, Flat No. 202, Kalpana Society, Chintal, Qutubullapur, Rangareddi, Andhra Pradesh – 500055.</li> <li>• <b>Joseph Sudheer Reddy Thumma</b> – Flat No. 210, Sai Sri Homes, Malani Colony, New Bowenpally, Tirumalagiri, Hyderabad, Telangana – 500011.</li> </ul>
The facts and details of any relationship subsisting between the Transferor and Transferee Company	The instant case proposes the merger of the Transferor Company with the Transferee Company. The Transferor Company being a 100% subsidiary of the Transferee Company
The date of Board Meeting at which the Scheme was approved by the Board of Directors of the Transferor Company	13TH May, 2024
The name of the Directors of the Transferor Company who voted in favour of the resolution	<ul style="list-style-type: none"> <li>• Joseph Sudheer Reddy Thumma</li> <li>• Ameeruddin Syed</li> <li>• Tiparnapally Nikitha</li> </ul>
The name of the Directors who voted against the resolution	NA
The name of the Directors who did not vote or participate on such resolution	<ul style="list-style-type: none"> <li>• Rachapoodi Venkata Nagendra Murali Mohan</li> <li>• Prabhakara Rao Bollina</li> </ul>



Parties to the Scheme of Merger	Magellanic Cloud Limited and IVS International Private Limited
Appointed Date	1st April, 2024
Effective Date	As mentioned in the Scheme of Merger
Summary of Valuation Report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at the registered office of the Company; Share Exchange Ratio	The present case involves the merger of the Transferor Company with the Transferee Company. The Transferor Company being a 100% subsidiary of the Transferee Company, upon the Scheme becoming effective, no shares shall be issued by the Transferee Company. The existing shareholding of the Transferee Company in the Transferor Company shall stand cancelled upon the Scheme becoming effective. Therefore, no valuation report is required in the present case.
Details of capital or debt restructuring, if any	The Scheme does not propose any capital or debt restructuring of any either the Transferor Company or the Transferee Company.
Rationale for the compromise or arrangement and benefits thereof	<p>By this Scheme, it is proposed to merge the Transferor Company with the Transferee Company, for the purposes of efficient utilization of management expertise, unification of control, easy in operating of businesses, administrative convenience and for further development and growth of the business of the Transferee Company. The proposed merger between the Transferor Company and the Transferee Company shall result in the following benefits:</p> <p>The merger will result in economies of scale, reduction in overheads, administrative, managerial and other expenditure and increase in operational rationalisation, organisational efficiency, and optimal utilisation of various resources.</p> <p>The managerial expertise of the Transferor Company will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilisation and achieve better cash flows.</p> <p>Duplication of administrative functions will be eliminated together with the multiple records - keeping resulting in reduced expenditure.</p> <p>This merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.</p> <p>The merger shall result in the combination of manpower of both the Transferor and Transferee companies and a single management structure for the Transferee Company.</p> <p>The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.</p> <p>Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)</p>

Amount due to Unsecured Creditors	As mentioned in the scheme
Benefits of the Scheme of Merger as perceived by the Board of Directors to the Company, Members, Creditors & Others (as applicable)	The Proposed merger will be in the best interests of the shareholders, creditors and other stakeholders of the Companies, as it would result in the business and increased operational efficiencies and bring in economies of scale.
Effect of the Scheme of Merger on (a) Key Managerial Personnel; (b) Directors; (c) Promoters (d) non-promoter members; (e) Depositors; (f) Creditors; (g) Debenture holders; (h) Deposit Trustee and Debenture Trustee; (i) Employees of the Company	The Scheme does not in any manner adversely affect the interest of the Directors, Promoters and Key Managerial Personnel of the Transferor Company
Investigation or proceedings, if any, pending against the Transferor Company under the Act.	There are no investigations pending against the Transferor Company under the provisions of the Companies Act, 2013 or the provisions under the Act of the Companies Act, 1956. There are no prosecutions pending against the Directors of the Transferor Company.
Details of approvals, sanctions or non-objection(s), if any, from regulatory or any other governmental authorities	The Transferor Company will be obtaining the approval of its Creditors to the Scheme. The Transferor Company has not received any objections from any Government Authority on the Scheme.

Documents for Inspection:

Latest audited financial statements of the company including consolidated financial statements;

Copy of proposed Scheme of Merger;

Contracts or agreements material to the compromise or arrangement;

The certificate issued by Auditor for the Companies to the effect that the accounting treatment, if any, proposed in the scheme of merger is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme.

The following are the common Directors of the transferor & transferee Companies :-

Sl. No.	Name of Directors	Address	DIN No.
1.	Mr. Joseph Sudheer Reddy Thumma	Flat No. 210, Sai Sri Homes, Malani Colony, New Bowenpally, Tirumalagiri, Hyderabad, Telangana – 500011.	07033919
2.	Mrs. Tiparnapally Nikitha	Plot No. 95, Flat No. 202, Kalpana Society, Chintal, Qutubullapur, Rangareddi, Andhra Pradesh – 500055.	07399613

The Transferor Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable members/creditors to understand the meaning, scope and implications of the item of business and to take decision thereon.

Transferee Company: Magellanic Cloud Limited

Name	Magellanic Cloud Limited
CIN	L72100TG1981PLC169991
PAN number	AAECS2881C
Date of Incorporation	04/12/1981
Type of Company	Company limited by shares
Registered Office Address, Valid email id	6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Hyderabad, Telangana, 500032 compliance@magellanic-cloud.com



Summary of Main object as per memorandum of association	engaged in the business of Digital Space
Main Business carried on by the company	engaged in the business of Digital Space
Details of Change of name, registered office, and objects of the company during the last five years	Change in registered office from the State of Maharashtra to Telangana
Name of the stock exchange(s) where securities of the company are listed	The BSE Limited
Authorized Capital	Rs.1,75,00,00,000/- divided into 17,50,00,000 equity shares of Rs. 10/- each
Issued, subscribed and Paid up capital	Rs.1,16,87,90,240/- divided into 11,68,79,024 Equity Shares of Rs. 10/- each
Names of the promoters and directors along with their addresses	<ul style="list-style-type: none"> <li>• <b>Joseph Sudheer Reddy Thumma</b> - Flat No. 210, Sai Sri Homes, Malani Colony, New Bowenpally, Tirumalagiri, Hyderabad, Telangana – 500011.</li> <li>• <b>Tiparnapally Nikitha</b> - Plot No. 95, Flat No. 202, Kalpana Society, Chintal, Qutubullapur, Rangareddi, Andhra Pradesh – 500055.</li> <li>• <b>Jagan Mohan Reddy Thumma</b> - Flat No. 209, Sai Sri Homes, Malani Colony, New Bowenpally, Near More Super Market, Tirumalagiri, Hyderabad, Telangana – 500011.</li> <li>• <b>Robert Alan Forbes Jr</b> – 36 Harisson Ave, Portsmouth, NH 03801.</li> <li>• <b>Carwin Heierman</b> - Harlem-Pays Bas, Monaco.</li> <li>• <b>Elisha Thatisetty</b> – 5-140/1, Plot No.6, Hydershakote, Rajendranagar, Himayathsagar, K.V Rangareddy, Telangana – 500008.</li> </ul>
The facts and details of any relationship subsisting between the Transferor and Transferee Company	The instant case proposes the merger of the Transferor Company with the Transferee Company. The Transferor Company is a 100% Company and Transferee Company
The date of Board Meeting at which the Scheme was approved by the Board of Directors of the Transferee Company	13th May, 2024
The name of the Directors of the Transferee Company who voted in favour of the resolution	<ul style="list-style-type: none"> <li>• Joseph Sudheer Reddy Thumma</li> <li>• Jagan Mohan Reddy Thumma</li> <li>• Tiparnapally Nikitha</li> <li>• Elisha Thatisetty</li> </ul>
The name of the Directors who voted against the resolution	NA
The name of the Directors who did not vote or participate on such resolution	<ul style="list-style-type: none"> <li>• Robert Alan Forbes Jr</li> <li>• Carwin Heierman</li> </ul>
Parties to the Scheme of Merger	Magellanic Cloud Limited and IVS International Private Limited
Appointed Date	1st April, 2024
Effective Date	As mentioned in the Scheme of Merger
Summary of Valuation Report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at the registered office of the Company; Share Exchange Ratio	The present case involves the merger of the Transferor Company with the Transferee Company. The Transferor Company being a 100% subsidiary of the Transferee Company, upon the Scheme becoming effective, no shares shall be issued by the Transferee Company. The existing shareholding of the Transferee Company in the Transferor Company shall stand cancelled upon the Scheme becoming effective. Therefore, no valuation report is required in the present case.

Details of capital or debt restructuring, if any	The Scheme does not propose any capital or debt restructuring of any either the Transferor Company or the Transferee Company.
Rationale for the compromise or arrangement and benefits thereof	<p>By this Scheme, it is proposed to merge the Transferor Company with the Transferee Company, for the purposes of efficient utilization of management expertise, unification of control, easy in operating of businesses, administrative convenience and for further development and growth of the business of the Transferee Company. The proposed merger between the Transferor Company and the Transferee Company shall result in the following benefits:</p> <p>The merger will result in economies of scale, reduction in overheads, administrative, managerial and other expenditure and increase in operational rationalisation, organisational efficiency, and optimal utilisation of various resources.</p> <p>The managerial expertise of the Transferor Company will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilisation and achieve better cash flows.</p> <p>Duplication of administrative functions will be eliminated together with the multiple records - keeping resulting in reduced expenditure.</p> <p>This merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.</p> <p>The merger shall result in the combination of manpower of both the Transferor and Transferee companies and a single management structure for the Transferee Company.</p> <p>The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.</p> <p>Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)</p>
Amount due to Unsecured Creditors	As mentioned in the Scheme
Benefits of the Scheme of Merger as perceived by the Board of Directors to the Company, Members, Creditors & Others (as applicable)	The Proposed merger will be in the best interests of the shareholders, creditors and other stakeholders of the Companies, as it would result in the business and increased operational efficiencies and bring in economies of scale.
Effect of the Scheme of Merger on (a) Key Managerial Personnel; (b) Directors; (c) Promoters (d) Non-promoter members; (e) Depositors; (f) Creditors; (g) Debenture holders; (h) Deposit Trustee and Debenture Trustee; (i) Employees of the Company	The Scheme does not in any manner adversely affect the interest of the Directors, Promoters and Key Managerial Personnel of the Transferee Company
Investigation or proceedings, if any, pending against the Transferee Company under the Act.	There are no investigations pending against the Transferee Company under the provisions of the Companies Act, 2013 or the provisions under the Act of the Companies Act, 1956. There are no prosecutions pending against the Directors of the Transferee Company.
Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities	The Transferee Company will be obtaining the approval of its Creditors to the Scheme. The Transferee Company has not received any objections from any Government Authority on the Scheme.





Documents for Inspection:

- Latest audited financial statements of the company including consolidated financial statements;
- Copy of proposed Scheme of Merger;
- Contracts or agreements material to the compromise or arrangement;
- The certificate issued by Auditor for the Companies to the effect that the accounting treatment, if any, proposed in the Scheme of merger is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the Scheme.

The Transferor Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable members/creditors to understand the meaning, scope and implications of the item of business and to take decision thereon.

None of the Directors(s), Key Managerial Personnel and their relatives are directly or indirectly concerned or interested, financially or otherwise in the resolutions at Item No. 8 of the Notice except to the extent of their shareholding.

Accordingly, the Board of Directors of your Company recommend the Resolution set out in Item No. 8 of this Notice for the approval of the Members by way of passing an Special Resolution.

**Item No 9: Re-appointment of Mr. Elisha Thatisetty (DIN: 08531842), as an Independent Director of the Company for a Second term:**

At the Annual General Meeting held on September 28, 2020, Mr. Elisha Thatisetty was appointed as Independent Director for a term of five years and who holds office of the Independent Director upto July 13, 2024 and who has submitted a declaration that he meets the criteria of independence as provided in the Act and the Listing regulations, and is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years with effect from July 14, 2024 to July 13, 2029.

Mr. Elisha Thatisetty is a Chartered Accountant in profession and has a vast experience in various general business and is a master at handling, conducting and understanding the working of business and at formulating and deploying various strategies and mechanisms for business development. In view of this the Board has recommended that he shall be reappointed as an independent director for the second term of five years commencing from July 14, 2024 till July 13, 2029. In view of this his continuation for second term; it would require shareholder's approval by way of special resolution. Also, he satisfies all the related conditions of the regulation, it is intended to seek approval of the shareholders by way of special resolution, for his re-appointment as non-executive, Independent Director in compliance with the relevant provisions of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Elisha Thatisetty has given a declaration to the Board that he meets the criteria of independence as provided in the Act and the Listing Regulations. Also, the Company has received other necessary disclosures and declarations from Mr. Elisha Thatisetty including the declaration that he is not debarred from holding the office of director pursuant to any SEBI Order. In the opinion of the Board, Mr. Elisha Thatisetty fulfils the conditions specified in the Act read with the Rules made thereunder and the Listing Regulations, for re-appointment as Independent Director and he holds necessary qualification, experience, and expertise to serve as an Independent Director on the Board of the Company. Also, in the opinion of the Board, Mr. Elisha Thatisetty is independent of the Management.

Pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Elisha Thatisetty as an Independent Director on the Board of the Company.

Additional information in respect of Mr. Elisha Thatisetty, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure to this Notice.

The Board of Directors recommend the resolutions set out at Item no. 9 for approval of the shareholders by way of Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives, other than Mr. Elisha Thatisetty, are deemed to be concerned or interested financially or otherwise, in the proposed resolution.

By Order of the Board of Directors  
Sd/-

**Joseph Sudheer Reddy Thumma**

*Managing Director*  
[DIN: 07033919]

Date: 30th May, 2024  
Place: Hyderabad

**Registered Office:**

6th Floor, Dallas Center, 83/1, Plot No A1,  
Knowledge City, Rai Durg, Hyderabad,  
Telangana – 500032

**Details of Directors seeking appointment / re-appointment at the Annual General Meeting**

[In pursuance of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Name of Director	Mr. Elisha Thatisetty	Mr. Joseph Sudheer Reddy Thumma	Mr. Carwin Heierman
DIN	08531842	07033919	08458981
Date of Birth	10/11/1976	07/07/1975	28/08/1974
Date of appointment	14/08/2019	29/12/2015	28/05/2019
Nature of expertise	Practicing Chartered accountant	Experience of around 22 years in IT related services. He started his career at the age of 21. He worked for 4 years in Social Service Society, building up computer programs. Thereafter, he worked with IBM, Singapore & New York for 4 years and National Panasonic for 2 years. Subsequently, he worked for different organizations for 7 years. In the year 2010, he acquired a small IT based product Company in USA, namely JNITH Corporation and also started IT services firm namely JNIT Technologies Inc.	Software Engineer and having the experience about 17 years in the IT industries
Qualification	Chartered Accountant	Bachelor of Computer Science Engineering from Osmania University, Telangana, India	Software Engineer
Relationships between directors inter-se	NA	Brother of Jagan Mohan Reddy Thumma	NA
List of other Indian Listed Limited Companies in which Directorship held [along with listed entities from which the person has resigned in the past three years] as on March 31, 2024	Nil	Nil	Nil
Member of the Committee of Board of other Indian Listed Limited as on March 31, 2024	Nil	Nil	Nil
Shareholding of Directors (As on March 31, 2024)	Nil	4,63,08,224	Nil





# Board's Report

## To the Shareholders

Your Directors have pleasure in presenting their 43rd Annual Report along with the summary of standalone and consolidated financial statements for the financial year ended March 31, 2024 of **Magellanic Cloud Limited** ("the Company").

## FINANCIAL RESULTS

The summarized financial performance of the Company for the FY 2023-24 and FY 2022-23 is given below:

[Amount in ₹ lakhs]

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	7455.57	5471.17	56042.86	42746.88
Other Income	278.49	139.34	1743.19	1910.33
<b>Total Revenue</b>	<b>7734.06</b>	<b>5610.51</b>	<b>57786.05</b>	<b>44656.91</b>
Total Expenses	5372.07	4039.53	43730.75	35278.86
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>	<b>2361.99</b>	<b>1570.98</b>	<b>14055.30</b>	<b>9378.05</b>
Exceptional Items	-	-	-	-
Extraordinary Items	-	-	-	-
<b>Net Profit Before Tax</b>	<b>2361.99</b>	<b>1570.98</b>	<b>14055.30</b>	<b>9378.05</b>
Provision for Tax				
- Current Tax	521.65	509.98	3481.83	1912.83
- Deferred Tax (Liability)/Assets	17.62	0.09	223.88	54.25
- Excess/(short) provision for earlier years	-	-	54.14	0.69
<b>Net Profit After Tax</b>	<b>1822.72</b>	<b>1061.80</b>	<b>10295.45</b>	<b>7410.30</b>
Profit/(Loss) from Discontinued operations	-	-	-	-
Tax Expense of Discontinued operations	-	-	-	-
Profit/(Loss) from Discontinued operations (after tax)	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>1822.72</b>	<b>1061.80</b>	<b>10295.45</b>	<b>7410.30</b>
Other Comprehensive Income				
- Items that will not be reclassified to profit or loss	47.25	9.54	232.41	178.68
- Income tax relating to items that will not be reclassified to profit or loss	(11.89)	2.40	383.97	(448.20)
- Exchange differences in translating the financial statements of foreign operations			109.92	673.71
- Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
<b>Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>1858.07</b>	<b>1068.94</b>	<b>11021.74</b>	<b>9414.49</b>
Earnings per equity share (for continuing operation):				
- Basic (In ₹)	1.56	0.95	8.81	6.62
- Diluted (In ₹)	1.56	0.95	8.81	6.62

**REVIEW OF OPERATIONS:****Standalone:**

During the year under review, the Standalone total Income was **INR 7,734.06 lakhs** as against **INR 5,610.50 lakhs** for the corresponding previous year.

Total Comprehensive income for the period was **INR 1,858.07 lakhs** as against **INR 1,068.93 lakhs** in the corresponding previous year

**Consolidated:**

During the year under review, the consolidated total Income was **INR 57786.05 lakhs** as against **INR 44,656.92 lakhs** for the corresponding previous year.

Total Comprehensive consolidated income for the period was **INR 11021.74 lakhs** as against Net **INR 9,416.49 lakhs**

in the corresponding previous year

**TRANSFER TO RESERVES**

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

**DIVIDEND**

The Board of Directors have recommended a Dividend of Re. 0.15 per share (previous year Re. 0.15 per share) on face value of INR10/- each for the Financial Year ended March 31, 2024.

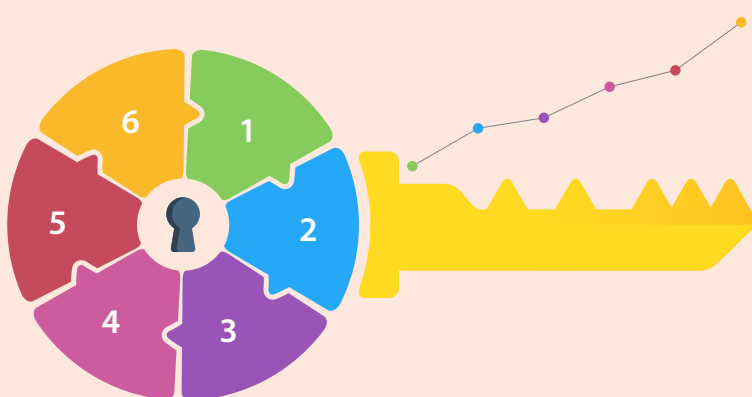
**STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

There is no change in the nature of the business during the year under review.

**MAJOR KEY DEVELOPMENTS**

1. Magellanic Cloud Limited, (MCloud) and its subsidiary iVIS combined, have successfully secured a significant order from a well-known public sector bank for the end-to-end implementation and management of e-surveillance services for 2000 ATM sites across India. The combined contract, awarded through a competitive bidding process, involves the supply, installation and commissioning of alert-based monitoring and control system for e-surveillance of the bank's ATM sites.

This landmark contract spans a 5-year period and is anticipated to generate a revenue of approximately Rs. 42 crores. The scope of services incorporates cutting-edge features such as remote surveillance, cloud processing & storage, operational insights, actionable intelligence complimented by alarm triggers in real-time, AI-enabled facial recognition, incident detection, reporting & analytics. The scale of the contract positions Magellanic Cloud to achieve healthy profit margins, reinforcing its commitment to delivering top-notch security solutions.



2. iVIS, the subsidiary of Magellanic Cloud, has experienced a five-fold expansion from production to commissioning by leveraging technology and automation to enhance efficiency and increase production scale. This contract win further solidifies Magellanic Cloud's reputation as a trusted leader in providing comprehensive e-surveillance solutions tailored to meet the evolving needs of the financial sector.

3. Your Board of Directors of the Company has approved 100% disposal of its shares in its subsidiary Company Serial Enterprise Foods Private Limited at overall consideration of Rs. 1,21,49,220 /- (Rupees One Crore Twenty-One Lakhs Forty-Nine Thousand Two Hundred Twenty only) and on such terms and conditions as contained in the Share Purchase Agreement.
4. Magellanic Cloud Limited's Subsidiary company has received design and specification license i.e. type certification from Directorate General of Civil Aviation for Cargo and Logistic Drones on 02nd February 2024.
5. Magellanic Cloud vide its subsidiary Scandron Private Limited has secured its first major logistics drone order from an Indian robotics firm, valued at Rs 43 crore.



## SHARE CAPITAL

As on 31st March, 2024, the Authorised share capital of the Company is Rs. 175,00,00,000/- (Rupees One Hundred and Seventy-Five Crores only) divided into 17,50,00,000 (Seventeen Crores and Fifty Lakhs) Equity Shares of Rs 10/- (Rupees Ten only) each; and Issued, Subscribed and Paid-up share capital of the Company is Rs. 116,87,90,240/- divided into 11,68,79,024 equity shares of Rs. 10/- each. The Company has only one class of equity shares having at par value of Rs. 10/- per share. Each holder of equity shares entitled to one vote per share.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### Retire by Rotation

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Carwin Heierman (DIN: 08458981), Executive Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 43rd Annual General Meeting. The Board recommends the said

Further, Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are:

Sr. No.	Name of KMP	Designation
1.	Mr. Jagan Mohan Reddy Thumma	Managing Director
2.	Mr. Joseph Sudheer Reddy Thumma	Managing Director designated as Global CEO
3.	Mr. Sanjay Mahendra Chauhan	Chief Financial Officer
4.	Mr. Sameer Lalwani	Company Secretary and Compliance Officer

## DISCLOSURES BY THE DIRECTORS

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.



reappointment for shareholders' approval.

## Inductions / Appointment or Re-appointment of Director / KMP:

1. Based on the recommendation of the Nomination and Remuneration Committee and approval of the same by the Board at its meeting held on 30th May 2024, Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919), Managing Director designated as a Global CEO was re-appointed for another term of five years with effect from June 10, 2024 to June 09, 2029, resolution in this behalf is set out at Item No 4 of the Notice of Annual General Meeting, for Members' approval.
2. Based on the recommendation of the Nomination and Remuneration Committee and approval of the same by the Board at its meeting held on 30th May, 2024, Mr. Elisha Thatisetty (DIN: 08531842), Independent Director was re-appointed for a second term of five years with effect from July 14, 2024 to July 13, 2029, resolution in this behalf is set out at Item No 9 of the Notice of Annual General Meeting, for Members' approval

## DECLARATION BY INDEPENDENT DIRECTORS

The Independent Director(s) have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as Independent Director, under the provisions of section 149 of the Companies Act, 2013 as well as Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees. The Directors expressed satisfaction with the evaluation process.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) & 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with

- proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### NUMBER OF BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 05 (Five) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Further, Committees of the Board usually meet on the same day of formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

### COMPOSITION OF AUDIT COMMITTEE

Your Company has formed an Audit Committee as per the Companies Act, and the Listing Agreement / SEBI (LODR) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management.

Further, the Audit Committee is functional as per the provision of Section 177 of Companies Act, 2013 and Rules made thereunder and as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The other details of the Audit Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

### COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Your Company has formed a Nomination & Remuneration Committee to lay down norms for the determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company.

The other details of the Nomination & Remuneration Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

### NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The Board of Directors is authorized to decide Remuneration to Executive Directors. The Remuneration structure comprises of Salary and Perquisites. Salary is paid to Executive Directors within the Salary grade approved by the Members. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

In terms of requirements prescribed under Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Policy inter-alia providing the terms for appointment and payment of remuneration to Directors and Key Managerial Personnel.

During the year, there have been no changes to the Policy. The same is annexed to this report as **Annexure I** and is available on our website [www.magellanic-cloud.com](http://www.magellanic-cloud.com)



## COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Board has constituted a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders etc. The Committee reviews Shareholder's / Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/ transposition, split/ consolidation of share certificates, issue of duplicate share certificates, etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

The other details of the Stakeholders Relationship Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as **Annexure II** and forms part of this Report.

Further, no employee of the Company is earning more than the limits as prescribed pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company.

Further, the names of the top ten employees in terms of remuneration drawn are disclosed in **Annexure III** and forms part of this Report.

## ANNUAL RETURN:

Pursuant to Notification dated 28th August, 2020 issued by the Ministry of Corporate Affairs as published in the Gazette of India on 28th August, 2020, the details forming part of the extract of Annual Return in Form MGT-9 is not required to be annexed herewith to this report. However, the Annual Return will be made available at the website of the Company at [www.magellanic-cloud.com](http://www.magellanic-cloud.com).

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Statement AOC-1 pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 regarding Subsidiary Company is enclosed as **Annexure IV** to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, which gives a detailed state of affairs of the Company's operations form a part of this Annual Report as **Annexure V**.

## STATUTORY AUDITORS' AND AUDITORS' REPORT

The Members of the Company at 41th Annual General Meeting ('AGM') held on 10th August, 2022 approved the appointment of M/s. Bhuta Shah & Co. LLP Wednesday, August 10, 2022, Chartered Accountants (Firm Registration No. 101474W/W100100) as the statutory auditors of the Company to hold office till the conclusion of the 45th AGM to be held in the financial year 2027.

## SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, Mr. Deep Shukla, Practicing Company Secretary, have been appointed Secretarial Auditors of the Company. The Secretarial Audit Report is enclosed as **Annexure VI** to this report.

## EXPLANATION(S)/ COMMENT(S) PURSUANT TO SECTION 134(3)(f)(i)& (ii), IF ANY, OF THE COMPANIES ACT, 2013:

### Explanation pursuant to Section 134(3)(f)(i):

There are no adverse remarks/Qualifications made in Statutory Report issued by Statutory Auditor of the Company.

### Explanation pursuant to Section 134(3)(f)(ii):

1. Non-compliance of IEPF rules, as amended

### Reply:

The Company is in the process to complete the same.

## ANNUAL SECRETARIAL COMPLIANCE REPORT

Mr. Deep Shukla & Associates, Practicing Company Secretaries, have been appointed to give the Annual Secretarial Compliance Certificate. The Annual Compliance Certificate is enclosed as **Annexure VII** to this report.

## INTERNAL FINANCIAL CONTROLS

The Company has in place an adequate internal financial controls system. The Audit Committee of the Board periodically reviews the internal control systems with the management and Statutory Auditors. Significant findings are discussed and follow-ups are taken thereon.

Further, the Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### EMPLOYEES' STOCK OPTION PLAN

During the year ending 31 March 2022, shareholders of the company have passed resolution for Introduction of 'Magellanic - Employees Stock Option Plan 2022' to the eligible employees of the company up to a maximum of 15,00,000 (Fifteen Lakhs) options. However, till the date of this report, no options have been granted and hence disclosures under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, and amended and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are not applicable for the year ending 31st March 2024.

### RISK MANAGEMENT POLICY

The Company has come under the cap of top 1000 companies based on Market Capitalisation; the Company has formulated Risk Management Committee pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further the company is in process for Obtaining Directors and Officers Insurance pursuant to Regulation 25(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted Dividend Distribution Policy as per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, also annexed as **Annexure VIII**.



### DEPOSITS

The Company has neither accepted nor renewed any fixed deposits during the year under review. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2024.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans granted and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in standalone financial statement under Note 10 under Notes forming part of financial statement.

### INSURANCE

The properties/assets of the Company are adequately insured.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its business, the Company has always considered the community as its key stakeholder. It believes that the community around its operations should also grow and prosper in the same manner as does its own business.

Accordingly, Corporate Social Responsibility forms an integral part of the Company's business philosophy. To oversee all its CSR initiatives and activities, the Company has constituted a Board-level Committee - CSR Committee.

The major thrust areas of the Company include healthcare, education, women empowerment, infrastructure support, integrated rural development, etc. which are aligned to the areas specified under Schedule VII to the Companies Act, 2013. The Annual Report on CSR activities of Financial Year 2023-24 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) is enclosed at **Annexure-IX** and forms part of this report. The CSR Policy of the Company may be accessed on the website of the Company.

### CORPORATE GOVERNANCE CERTIFICATE

We ensure that, we evolve and follow the corporate governance guidelines and best practices sincerely, not only to boost long-term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as the leadership and governance of the Company.





In compliance with Regulation 34(3) read with Schedule V(C) of the SEBI (LODR) Regulations, 2015, a Report on Corporate Governance forms part of this Annual Report. The Certificate as issued by Practicing Company Secretary certifying compliance with the conditions of corporate governance as prescribed under Schedule V(E) of the SEBI (LODR) Regulations, 2015, is annexed to the Corporate Governance Report as **Annexure X**.

### BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Business Responsibility Report is attached and is a part of this Annual Report as set out in **Annexure XI** of this report and is also available on Company's website at [www.magellanic-cloud.com](http://www.magellanic-cloud.com)

### DISCLOSURE ON COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has set up an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at the workplace. There was no case of sexual harassment reported during the year under review.

### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

#### (a) Conservation of Energy -

We continue to strengthen our energy conservation efforts. We are always in lookout for energy efficient measures for operation, and value conservation of energy through usage of latest technologies for quality of services. Although the equipments used by the Company are not energy sensitive by their very nature, still the Company is making best possible efforts for conservation of energy, which assures that the computers and all other equipments to be purchased by the Company strictly adhere to environmental standards, and they make optimum utilization of energy.

#### (b) Absorption of Technology -

In this era of competition, in order to maintain and increase the clients and customers, we need to provide best quality services to our clients and customers at minimum cost, which is not possible without innovation,

and adapting to the latest technology available in the market for providing the services.

#### (c) Research and Development (R&D) -

The Company believes that in order to improve the quality and standards of services, the Company has a progressive Research and Development Process, which should keep on increasing along with the scale of operations of the Company.

#### (d) Foreign Exchange Earnings and Outgo -

During the financial year under review, the status of foreign earnings and outgo are:

(Amount in Rs.)

Particulars	F.Y 2023-2024	F.Y 2022-2023
C.I.F. Value of Imports	-	-
F.O.B. Value of Exports	45,43,67,090	4,96,140,177

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.



The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

### SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

### LISTING WITH STOCK EXCHANGE

The shares of the Company are listed on BSE only.



### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Courts / Tribunals which would impact the going concern status of the Company and its future operations.

### PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Officers and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors, Officers and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for the implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

### ACKNOWLEDGEMENT

The Directors would like to thank all shareholders, customers, bankers, suppliers and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board of Directors

Sd/-

**Jagan Mohan Reddy Thumma**

Managing Director  
[DIN: 06554945]

Sd/-

**Joseph Sudheer Reddy Thumma**

Managing Director  
[DIN: 07033919]

**Date: 30th May, 2024**

### Registered Office:

6th Floor, Dallas Center,  
83/1, Plot No A1, Knowledge City,  
Rai Durg, Hyderabad, Telangana – 500032.



## Annexure to the Board's Report

### Annexure – I

#### NOMINATION AND REMUNERATION POLICY

##### CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

##### OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.

- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

##### APPLICABILITY

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

##### DEFINITIONS:

**"Act"** shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

**"Board"** means Board of Directors of the Company.

**"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

**"Company"** means Magellanic Cloud Limited.

**"Directors"** mean Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes –

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

**"Policy"** or **"This policy"** means Nomination and Remuneration Policy.

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

**"Senior Management"** Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

*Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be*

amended from time to time shall have the meaning respectively assigned to them therein.

#### **ROLE AND POWER OF THE COMMITTEE:-**

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

##### **The Committee shall:**

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

#### **Policy for appointment and removal of Director, KMP and Senior Management**

##### **(i) Appointment criteria and qualifications**

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### **(ii) Term / Tenure**

###### **a. Managing Director/Whole-time Director:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b. Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

##### **c. Evaluation**

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

##### **d. Removal**

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

##### **e. Retirement**

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even



after attaining the retirement age, for the benefit of the Company.

### **Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

#### **(i) General:**

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **(ii) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

##### **- Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

##### **- Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### **- Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### **(iii) Remuneration to Non- Executive / Independent Director:**

##### **- Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

##### **- Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

##### **- Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

##### **- Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

#### **MEMBERSHIP:-**

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **CHAIRMAN:-**

- Chairman of the Committee shall be an Independent Director;
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **VOTING**

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **MINUTES OF COMMITTEE MEETING**

- Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### **AMENDMENTS TO THE POLICY**

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

#### **AMENDMENTS IN THE LAW**

- Any subsequent amendment/modification in the Listing Regulation and/or other applicable laws in this regard shall automatically apply to this Policy.

#### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.



**Annexure – II**
**Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

- i. **The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and**
- ii. **The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2023-24**

Name & Designation	*Remuneration of each Director & KMP for Financial Year 2023-24 (INR)	% increase/ decrease in remuneration in the Financial Year 2023-24	Ratio of remuneration of each Directors to median remuneration of employees
<b>A. Independent Directors</b>			
Mrs. Tiparnapally Nikitha	-	-	-
Mr. Robert Alan Forbes Jr.	-	-	-
Mr. Elisha Thatisetty	-	-	-
<b>B. Executive Directors/KMP</b>			
Mr. Jagan Mohan Reddy Thumma (MD)	4,80,000	-	7.68:01
Mr. Sanjay M. Chauhan (CFO)	30,00,000	-	48.01:01
Mr. Sameer Lalwani (CS)	9,77,508	-	15.64:01
Mr. Joseph Sudheer Reddy Thumma (MD)	-	-	-
Mr. Carwin Heierman (Executive Dr.)	-	-	-

MD - Managing Director, WTD – Whole-time Director, CFO – Chief Financial Officer; CS – Company Secretary.

1. Median remuneration of all the employees of the Company for the financial year 2023-24 is **INR 62,47, 687 lacs**

- iii. **The percentage increase in the median remuneration of employees in the financial year 2022-23**

	Financial Year 2023-24 (INR)	Financial Year 2022-23 (INR)	Increase by (%)
Median remuneration of all employees	62,47,687	30,78,100	49.26

**Note:** The calculation of % increase in the median remuneration has been done based on comparable employees.

- iv. **The number of permanent employees on the rolls of Company.**

There were 151 permanent employees on the rolls of Company as on March 31, 2024.

- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

- vi. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Registered Office:**

6th Floor, Dallas Centre  
83/1, Plot No A1, Knowledge City  
Rai Durg, Hyderabad, Telangana – 500032

**Date: 30th May, 2024**

Sd/-

**Jagan Mohan Reddy Thumma**  
Managing Director  
[DIN: 06554945]

Sd/-

**Joseph Sudheer Reddy Thumma**  
Managing Director  
[DIN: 07033919]



## Annexure – III

**Information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

Names of employees	Designation/ Nature of Duties	Remuneration Received [INR] p.a.	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held	% of shareholding
Jagan Mohan Reddy Thumma	Managing Director	4,80,000.00	MBA	25 years	49 years	1-May-2016	JNIT Technologies PVT LTD	8.04%
Sameer Lalwani	Company Secretary	9,77,508.00	CS	04 years	37 years	19- April-2022	-	-
Syed Ameeruddin	COO	60,00,000.00	MBA	20 years	36 years	1-May-2016	JNIT Technologies PVT LTD	-
Sanjay M. Chauhan	CFO	30,00,000.00	CA Intermediate	20 years	43 years	1-May-2016	JNIT Technologies PVT LTD	-
Mohammed Aziz Pasha	Accounts Manager	26,49,324.00	MBA	12 years	34 years	1-May-2016	JNIT Technologies PVT LTD	-
Kahkashan Parween	Business Development Manager	21,32,004.00	B.Com	10 years	35 years	11- Feb- 2022		-
Supriya Jakkaragari	Recruitment Specialist	14,19,012.00	MBA	7 years	30 years	14-Feb-2022	Zoom Hire Inc	-
Mohd Ghouse Mohiuddin	Business Development Executive	13,88,400.00	B.Com	7 years	32 years	09- May-2022	Proficient Now	
Mohammed Zuber Ahmed	US IT Bench Sales Recruiter	13,26,468.00	MBA	9 years	34 years	01-Jun-2015	JNIT Technologies PVT LTD	-
Santhosh Raparathi	US IT Bench Sales Recruiter	13,09,152.00	B.Tech	9 years	33 years	06-Oct-2015	JNIT Technologies PVT LTD	-
Hussain Dastagir	Business Development Manager	12,38,400.00	B.Com (Computers)	5 years	23 years	20- Feb-2024	Team Eminence LLC	-
Mohammed Abdul Nadeem Ansari	Recruitment Specialist	11,47,200.00	MBA	10 years	39 years	06- June- 2022	Proficient Now Inc	-

**The above employees are related to the Directors of the Company. :**

Names of Employees	Names of employees who are relatives of any Director
Jagan Mohan Reddy Thumma	Brother of Joseph Sudheer Reddy Thumma
Sameer Lalwani	No Relation with any Director
Syed Ameeruddin	No Relation with any Director
Sanjay M. Chauhan	No Relation with any Director
Mohammed Aziz Pasha	No Relation with any Director
Kahkashan Parween	No Relation with any Director
Supriya Jakkaragari	No Relation with any Director
Mohd Ghouse Mohiuddin	No Relation with any Director
Mohammed Zuber Ahmed	No Relation with any Director
Santhosh Raparathi	No Relation with any Director
Hussain Dastagir	No Relation with any Director
Mohammed Abdul Nadeem Ansari	No Relation with any Director

For and on behalf of the Board of Directors

Sd/-

**Jagan Mohan Reddy Thumma**

Managing Director

[DIN: 06554945]

Sd/-

**Joseph Sudheer Reddy Thumma**

Managing Director

[DIN: 07033919]

**Date: 30th May, 2024**

**Registered Office:**

6th Floor, Dallas Center,  
83/1, Plot No A1, Knowledge City,  
Rai Durg, Hyderabad, Telangana – 500032





**FORM AOC-I**
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**
**(Information in respect of each subsidiary to be presented with amounts in Lacs.)**

Sl. No.	1	2	3	4
Name of the subsidiaries	JNIT Technologies, INC.	Ivis International Private Limited	Provigil Surveillance Private Limited	Scan Dron Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2024	March 31, 2024	March 31 2024	March 31 2024
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Reporting Currency: \$ U.S. Dollar Exchange Rate as on 31-03-2024 is INR 83.3585	-	-	-
Share capital	0.75	1415.72	106.67	200.00
Reserves & surplus	16142.61	16,071.77	3562.21	-118.73
Total assets	29669.19	25,655.40	14,106.74	3002.34
Total Liabilities	13525.83	11,804.72	10,437.86	2921.07
Investments	-	-	-	-
Turnover	40476.65	13,237.14	10,395.85	483.90
Profit before taxation	8595.60	4,880.13	1,108.50	43.72
Provision for taxation	2225.98	619.99	377.82	-3.21
Profit after taxation	6369.63	4,260.14	730.68	46.92
Proposed Dividend	-	-	-	-
% of shareholding	100%	100%	100%	70%

Names of subsidiaries which are yet to commence operations : - NA

Names of subsidiaries which have been liquidated or sold during the year : - Serial Enterprise Private Limited

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

	<b>Name of Associates/Joint Ventures</b>	
1.	Latest audited Balance Sheet Date	-
2.	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3.	Description of how there is significant influence	-
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6.	Profit / Loss for the year	-
i.	Considered in Consolidation	-
i.	Not Considered in Consolidation	-

Names of associates or joint ventures which are yet to commence operations : - NA

Names of associates or joint ventures which have been liquidated or sold during the year: - NA

For **Magellanic Cloud Limited**  
(Formerly South India Projects Limited)

**Sd/-**  
**Jagan Mohan Reddy Thumma**  
(Managing Director)  
DIN: 06554945

**Sd/-**  
**Joseph Sudheer Reddy Thumma**  
(Managing Director)  
[DIN: 07033919]

**Sd/-**  
**Sanjay Chauhan**  
(Chief Financial officer)

**Sd/-**  
**Sameer Lalwani**  
(Company Secretary)

**Date : 30th May, 2024**



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**I. OVERVIEW**

The journey over the past few years has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, the Russia-Ukraine war that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. The global GDP is estimated to have grown at 3.2% in CY 2023, lower than 3.5% in CY 2022, led by fears of a hard recession. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Economic growth has been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. However, the rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive sectors.

**II. M-CLOUD'S BUSINESS:**

**An Overview**

Mcloud's is an IT services, consulting and business solutions organization. It has a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped under

consulting and service integration, application services, digital transformation services, cloud services, engineering services, cognitive business operations, and products and platforms

**Strategy for Sustainable Growth.**

Mcloud has successfully navigated through multiple technology cycles transforming and adapting each time to build relevant new capabilities and helping its clients realize the benefits of that innovative technology.

**III. M-CLOUD' STRATEGIC RESPONSES TO OPPORTUNITIES AND THREATS:**

**Opportunities and Threats:**

Following can be termed as the opportunities / strengths of the Company:

- Continued investment in skill building, certifications, credentials, IP and accelerators.
- Strong growth in cloud migration and transformation revenues.
- Preferred partner to clients seeking to use cloud native capabilities to power their business transformation.
- Expansion of addressable market.

**IV. CHANGES IN KEY FINANCIAL RATIOS:**

Pursuant to provisions of Regulation 34 (3) of SEBI (LODR) Regulation, 2015 read with Schedule V part B(1) details of changes in Key Financial Ratios is given hereunder:

S. NO.	Key Financial Ratio		F.Y. 2023-24	*FY 2022-23
1.	Debtors Turnover Ratio	Times	2.81	5.01
2.	Inventory Turnover Ratio	Times	-	-
3.	Current Ratio	Times	1.11	0.21
4.	Debt Equity Ratio	Times	0.95	0.51
5.	Operation Profit Margin	%	88%	85%
6.	Net Profit Margin	%	24%	19%
7.	Change in Return on Net Worth	%	10%	7.36%

\*Previous year's Figures have been regrouped / rearranged wherever necessary

## V. RISK AND CONCERNS

Looking at the scenario in India in case of Food and Beverage industry, Risks associated with operating in a particular industry and include risks arising from demand changes, changes in customers choice and industry changes. Forex risks could arise from the company being exposed to foreign currency fluctuations which could impact its rupee earnings.

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials, components, plant and machinery, equipment and other assets, and for the sale of goods.

The Company also has in place an Audit Committee to have a periodic overview of the internal control procedures of the Company. The Audit committee is accessible at all times to the employees of the Company for any improvement to be recommended in the procedures in place.

## VI. DISCUSSION ON FINANCIAL PERFORMANCE OF THE COMPANY:

The financial performance of the Company in the year under review are:

During the year under review, the Standalone total Income was **INR 7,734.06 lakhs** as against **INR 5,610.50 lakhs** for the corresponding previous year.

Total Comprehensive income for the period was **INR 1,858.07 lakhs** as against **INR 1,068.93 lakhs** in the corresponding previous year.

## VII. INDUSTRIAL RELATIONS AND HUMAN RESOURCES:

The Company considers that its relationship with its employees is vital and ensures that employees feel valued and is endeavoring to create an environment and culture within which every employee can put his best efforts and maximize his contribution.



The Company ensures that all its employees remain competent through education, skills, training and experience as necessary. The Company has had cordial relations between the management and employees and an atmosphere of harmonious working to achieve the business objectives of the Company throughout the year. The Company is poised to motivate each of its employees to perform to the fullest extent possible and to appropriately reward their excellence.

## VIII. CAUTIONARY STATEMENT

Statements in this report and Corporate Governance Report read together with the Directors' Report and financial statement describing the Company's objectives, projections, estimates, expectations and predictions, may be "forward looking statements". Actual results may differ from those expressed or implied due to variations in prices of raw materials, seasonal demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors.

For and on behalf of the Board of Directors

Sd/-

**Jagan Mohan Reddy Thumma**

*Managing Director*

[DIN: 06554945]

Sd/-

**Joseph Sudheer Reddy Thumma**

*Managing Director*

[DIN: 07033919]

**Date: 30th May, 2024**

### Registered Office:

6th Floor, Dallas Center,  
83/1, Plot No A1, Knowledge City,  
Rai Durg, Hyderabad, Telangana – 500032.



**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2024**

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

**To,  
The Members,  
Magellanic Cloud Limited**

Regd. Office: 6th Floor, Dallas Center,  
83/1, Plot No A1, Knowledge City,  
Rai Durg, Hyderabad, Telangana – 500032.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Magellanic Cloud Limited [CIN: L72100TG1981PLC169991]** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended; Not applicable during period. *(Not applicable during period)*
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(to the extent as may be applicable to the Company);*

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to the Company during the Audit Period);*
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit Period);*
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to the Company during the Audit Period);* and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable to the Company during the Audit Period);*

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the Stock Exchange viz Bombay Stock Exchange of India Ltd (BSE) along with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to following observations/qualifications:

- *During the year under review, we have not found any documents related with compliance of IEPF rules, as amended.*

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on

agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All the resolutions were passed with consent of majority Directors

**I further report that:**

- there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For: **M/s. DEEP SHUKLA & ASSOCIATES**  
COMPANY SECRETARIES  
(Peer Review Certificate No.: 2093/2022)

Sd/-  
**DEEP SHUKLA**  
{PROPRIETOR}  
FCS: 5652  
CP NO.5364  
UDIN: F005652F000433211

**Date: 23/05/2024**

**Place: Mumbai**



**Annexure to Secretarial Report and forming part of the report**

**To,  
The Members,  
Magellanic Cloud Limited**

Regd. Office: 6th Floor, Dallas Center,  
83/1, Plot No A1, Knowledge City,  
Rai Durg, Hyderabad, Telangana – 500032.

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis and shall not stand responsible for any non-compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: **M/s. DEEP SHUKLA & ASSOCIATES**  
COMPANY SECRETARIES  
(Peer Review Certificate No.: 2093/2022)

Sd/-  
**DEEP SHUKLA**  
{PROPRIETOR}  
FCS: 5652  
CP NO.5364  
UDIN: F005652F000433211

**Date: 23/05/2024**  
**Place: Mumbai**

## FORM MR-3

## SECRETARIAL AUDIT REPORT

## For the financial year ended March 31, 2024

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

To,  
The Members,

**M/s. PROVIGIL SURVEILLANCE LIMITED,**

3rd Floor, Western Dallas Centre Survey No.83/1,  
Raidurg Village, Serling, Ampally,  
Rangareddi, Hyderabad, Telangana, India, 500032.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PROVIGIL SURVEILLANCE LIMITED [CIN: U65993TG1992PLC014157]** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended; Not applicable during period. *(Not applicable during period)*
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended; *(Not applicable during period)*
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(to the extent as may be applicable to the Company);*

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not applicable during period)*
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(Not applicable during period)*
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015; *(Not applicable during period)*
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to the Company during the Audit Period);*
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit Period);*
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable during period)*
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to the Company during the Audit Period);* and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable to the Company during the Audit Period);*

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the Stock Exchanges. *(Not Applicable to the Company)*. **It is the wholly owned subsidiary of 'Magellanic Cloud Ltd' (A Listed Entity)**







During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to following observations/qualifications:

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting

and for meaningful participation at the meeting.

- All the resolutions were passed with consent of majority Directors

**I further report that:**

- there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For: **Kavita Raju Joshi**

COMPANY SECRETARIES

(Peer Review Certificate No.: 2159/2022)

Sd/-

{PROPRIETOR}

FCS:9074

CP NO.8893

UDIN: F009074F000484725

**Place: Mumbai**

**Date: 29/05/2024**

**Annexure to Secretarial Report and forming part of the report**

**To,  
The Members,**

**M/s. PROVIGIL SURVEILLANCE LIMITED,**

3rd Floor, Western Dallas Centre Survey No.83/1,  
Raidurg Village, Serling, Ampally,  
Rangareddi, Hyderabad, Telangana, India, 500032.

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis and shall not stand responsible for any non-compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: **Kavita Raju Joshi**

COMPANY SECRETARIES

(Peer Review Certificate No.: 2159/2022)

Sd/-

{PROPRIETOR}

FCS:9074

CP NO.8893

UDIN: F009074F000484725

**Place: Mumbai**

**Date: 29/05/2024**



**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2024**

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

**To,**

**The Members,**

**M/s. IVIS INTERNATIONAL PRIVATE LIMITED,**  
3rd Floor, Western Dallas Centre Survey No.83/1,  
Raidurg Village, Serling, Ampally,  
Rangareddi, Hyderabad, Telangana, India, 500032.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IVIS INTERNATIONAL PRIVATE LIMITED [CIN: U74900TG2014PTC170088]** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended; *(Not applicable during period. (Not applicable during period)*
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended; *(Not applicable during period)*
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(to the extent as*

*may be applicable to the Company);*

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not applicable during period)*
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(Not applicable during period)*
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015; *(Not applicable during period)*
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to the Company during the Audit Period);*
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit Period);*
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable during period)*
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to the Company during the Audit Period);* and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable to the Company during the Audit Period);*

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the Stock Exchanges. *(Not Applicable to the Company). It is the wholly owned subsidiary of 'Magellanic Cloud Ltd'(A Listed Entity)*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to following observations/qualifications:

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All the resolutions were passed with consent of majority Directors

**I further report that:**

- there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

**Note:** The Company is in process to file relevant form for appointment of Managing Director and Chief Financial Officer (CFO)

**Place: Mumbai**  
**Date: 29/05/2024**

For: **Kavita Raju Joshi**  
COMPANY SECRETARIES  
(Peer Review Certificate No.: 2159/2022)

Sd/-  
{PROPRIETOR}  
FCS:9074  
CP NO.8893  
UDIN: F009074F000484604



**Annexure to Secretarial Report and forming part of the report**

To,  
The Members,  
**M/s. IVIS INTERNATIONAL PRIVATE LIMITED,**  
3rd Floor, Western Dallas Centre Survey No.83/1,  
Raidurg Village, Serling, Ampally,  
Rangareddi, Hyderabad, Telangana, India, 500032.

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness

of financial records and Books of Accounts of the Company.

4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis and shall not stand responsible for any non-compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: **Kavita Raju Joshi**  
COMPANY SECRETARIES  
(Peer Review Certificate No.: 2159/2022)

Sd/-  
{PROPRIETOR}  
FCS:9074  
CP NO.8893  
UDIN: F009074F000484604

**Place: Mumbai**  
**Date: 29/05/2024**

## Annexure – VII

## SECRETARIAL COMPLIANCE REPORT

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019]

**Annual Secretarial Compliance Report of “MAGELLANIC CLOUD LIMITED**  
(Formerly known as South India Projects Limited)” for the year ended March 31, 2024

We, Deep Shukla & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by **MAGELLANIC CLOUD LIMITED** [CIN: L72100TG1981PLC169991] (“the listed entity”),
  - (b) the filings/ submissions made by the listed entity to the stock exchanges,
  - (c) website of the listed entity,
  - (d) other relevant document(s)/ filing, which has been relied upon to make this certification,
  - (e) for the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of :
    - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
    - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);
- The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, are:-
- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*to the extent applicable*);
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*to the extent applicable*);
  - (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable during the review period]**
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the review period]**
  - (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the review period]**
  - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **[Not applicable during the review period]**
  - (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*to the extent applicable*);
  - (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended;
  - (k) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008; **[Not applicable during the review period]**
  - (l) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/ guidelines issued thereunder.



We hereby report that, during the review period the compliance status of the listed entity is appended below:

#### Additional Affirmations

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1	<b>Secretarial Standards:</b> We have conducted a review of the compliance of listed entity in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	-
2	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors / committees, as may be applicable of the listed entity.</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/ circulars/guidelines issued by SEBI.</li> </ul>	Yes	-
3	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The listed entity is maintaining a functional website.</li> <li>Timely dissemination of the documents/ information under a separate section on the website.</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.</li> </ul>	Yes	-
4	<b>Disqualification of Director:</b> None of the Director of the listed entity are disqualified under Section 164 of Companies Act, 2013.	Yes	-
5	<b>To examine details related to Subsidiaries of listed entity:</b> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	-
6	<b>Preservation of Documents:</b> As per the confirmations given by the listed entity, and on our test check basis, it is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under Listing Regulations.	Yes	-
7	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees on an annual basis as prescribed in SEBI Regulations	Yes	-
8	<b>Related Party Transactions:</b> <ul style="list-style-type: none"> <li>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</li> <li>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transaction were subsequently approved/ratified/rejected by the Audit committee</li> </ul>	Yes	-

9	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder	Yes	-
10	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under Page 5 of 7 SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	-
12	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	Yes	-

\*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No ' or 'NA '

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification /Fine/ Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amt.	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amt.	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

For: **M/s. Deep Shukla & Associates**  
Company Secretaries

**Deep Shukla**

Practicing Company Secretaries  
(Peer Review Certificate No.: 2093/2022)

FCS : 5652; CP : 5364

UDIN: F005652F000372524

**Date: 15/05/2024**

**Place: Mumbai**





**DIVIDEND DISTRIBUTION POLICY**

**[Pursuant to Regulation 43A of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

**1. Scope and Objective**

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking in to consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The Policy is being recommended for adoption by the Board of Directors in Magellanic Cloud Limited.

**2. Statutory Requirements**

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act") in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such other applicable provisions of law and the Articles of Association of the Company as amended.

**3. Parameters to be considered while recommending / declaring dividend**

The Board while declaring or recommending dividend to the shareholders, will consider following financial / internal and external factors:

**Financial / Internal Factors:**

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific

reserves, such as Debenture Redemption Reserve, etc.

- Past dividend trends –rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalization of shares
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.

**External Factors:**

- Economic environment, both domestic and global.
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing

**4. Circumstances under which shareholders of the Company may or may not expect dividend**

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company *may expect dividend* only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company **may not expect dividend** in the following circumstances, subject to the discretion of the Board of Directors:



- The Company has in adequacy of profits or incurs losses for the Financial Year;
- The Company undertakes / proposes to undertake a significant expansion project requiring higher allocation of capital;
- The Company undertakes / proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- The Company has significantly higher working capital requirement affecting free cash flow.
- The Company proposes to utilize surplus cash for buy-back of securities;
- The Company is prohibited to recommend / declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors / parameters mentioned in point 3 above.

#### 5. Policy as to how the retained earnings will be utilized

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the company shall be based on the following factors:

- Long term strategic plans
- Augmentation / Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

#### 6. Quantum and manner of dividend payout

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a total dividend pay-out ratio in the range of 25% to 40% of the annual standalone profits after tax (PAT) of the

Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio on its Consolidated Profits. Till such time, The Company will endeavor to have a policy on dividend distribution with a similar payout ratio across its subsidiaries and to the extent possible, in its joint ventures after discussions with its partners.

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

#### 7. Disclosures

The Policy shall be disclosed in the Annual report and on the website of the Company.

#### 8. Policy review and amendments

The Policy will be reviewed periodically by the Board. This revised policy has been adopted by the Board of Directors of the Company.

#### 9. Disclaimer

- a) The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
- b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy.



**REPORT ON CSR ACTIVITIES**

**1. Brief outline on CSR Policy of the Company:** The CSR policy has been formulated in accordance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the relevant amendments / notifications / circulars. The CSR activities undertaken / to be undertaken by the Company as per the Company's policy.

**2. Composition of CSR Committee: NA**

**Note:** Section 135(9) of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 states that Where the amount to be spent by a company under sub-section (5) of section 135 does not exceed fifty lakhs rupees, the requirement under sub-section (1) of section 135 for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board Of Directors of such company.

3. Provide the web-link where Composition of CSR committee (if any), CSR Policy and CSR projects approved by the board are disclosed on the website of the company: -

www.magellanic-cloud.com

4. Provide the details of Impact assessment of CSR

projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
1	2022-23	-	-

6. Average net profit of the company as per section 135(5): Rs. 5,32,13,400/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 10,64,268/-

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

1. (d) Total CSR obligation for the financial year (7a+7b+7c). Rs. 10,64,268/-

2. (a) CSR amount spent or unspent for the financial year: 11,00,000

Total Amount spent for the Financial Year (if any)	Amount unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 11,00,000/-	NIL	NIL	Women empowerment in Telangana state	11,00,000	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: 11,00,000

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NIL

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the financial year: INR 11,00,000 /-

## 3. Short Summaries:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	10,64,268
(ii)	Total amount spent for the Financial Year	11,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	35,732
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	35,732

## For and on behalf of the Board of Directors

Sd/-

**Jagan Mohan Reddy Thumma**

Managing Director

[DIN: 06554945]

Sd/-

**Joseph Sudheer Reddy Thumma**

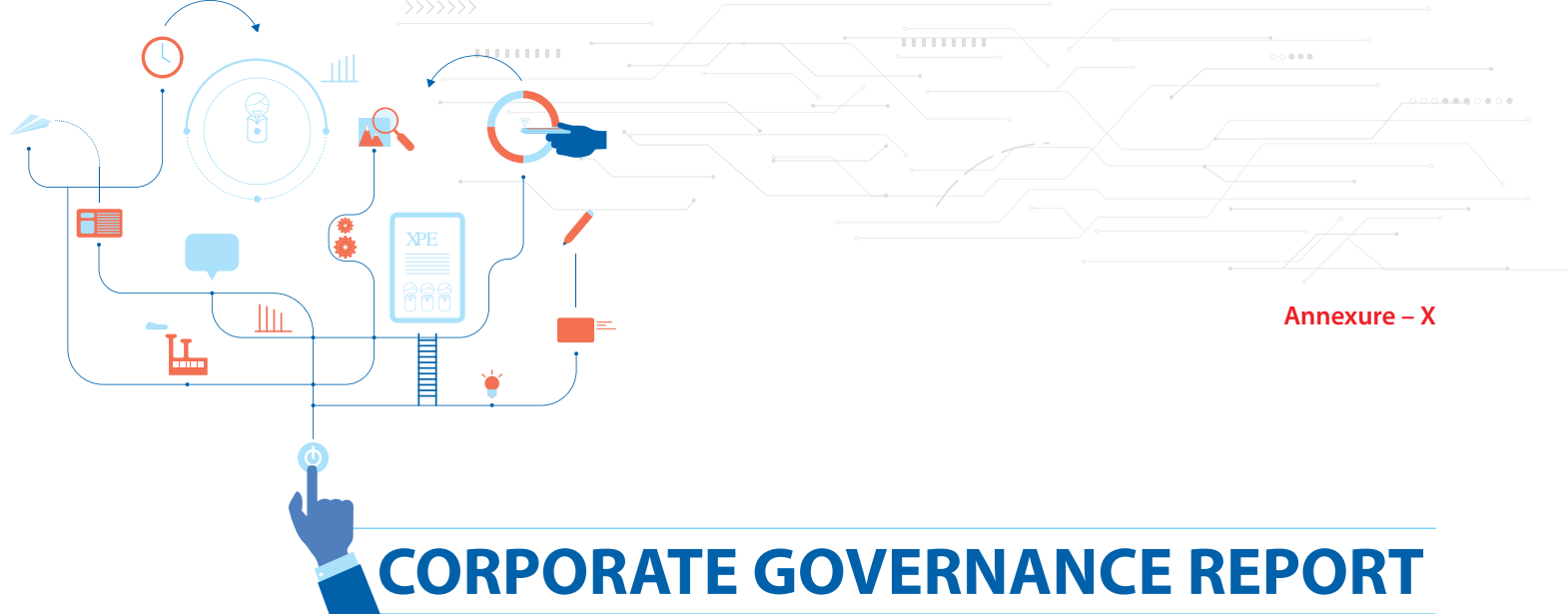
Managing Director

[DIN: 07033919]

**Date: 30th May, 2024****Registered Office:**

6th Floor, Dallas Center,  
83/1, Plot No A1, Knowledge City,  
Rai Durg, Hyderabad, Telangana – 500032.





# CORPORATE GOVERNANCE REPORT

## 1. INTRODUCTION

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing stakeholders' value eventually.

## 2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers and the society at large.

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders and clients of the Company and the unquestioned integrity of all personnel involved or related to the Company. Corporate Governance contains a set of principles, process and systems to be followed by directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed

to integrity, transparency, accountability and compliance with laws in all dealings with shareholders, employees, the Government, customers, suppliers and other stakeholders.

## 3. BOARD OF DIRECTORS:

The Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board plays a crucial role enhancing and protecting the reputation of the organization are expected to exercise their duties in the best interests of shareholders and to maximize wealth.

The Board comprises of the members distinguished in various fields such as management, finance, law and marketing. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe. None of the Directors on the Board is a member in more than ten Committees and Chairman of more than five Committees across all Companies in which they are Directors as per Regulation 26(1) of the SEBI (LODR) regulations, 2015.

As on March 31, 2024, the Board comprised of 6 (Six) Directors out of which 3 (Three) are Non-Executive Independent Directors and 3 (Three) are Executive Directors.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.

The composition of the Board of Directors and also the number of other Companies of which he/she is a Director and Member/ Chairman as on March 31, 2024, are as under:

Name of the Directors	Category of Directorship	Directorship in other Companies (Including Private Companies)	Committee Membership(s) of other Companies		No. of Shares held
			Member	Chairman	
Mr. Jagan Mohan Reddy Thumma	Managing Director	2	2	0	94,00,000
Mr. Joseph Sudheer Reddy Thumma	Managing Director designated as Global CEO	7	0	0	4,63,08,224
Mr. Carwin Heierman	Executive Director	1	0	0	-
Mrs. Nikitha Tiparnapally	Non-Executive Director Independent Director	2	-	4	-
Mr. Robert Alan Forbes Jr.	Non-Executive Director Independent Director	1	2	0	-
Mr. Elisha Thatisetty	Non-Executive Director Independent Director	1	2	0	-

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

Further, there are no inter-se relationships between our Board Members except Mr. Jagan Mohan Reddy Thumma and Joseph Sudheer Reddy Thumma being relative and promoter of the Company.

#### BOARD PROCEDURE:

The Board meets at least once every quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major decisions involving policy formulations, business plans, annual operating budgets, compliance with statutory requirements, major accounting provisions and write-offs are considered by the Board. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies.

#### ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year **05 (Five)** Board Meetings were held during the financial year ended March 31, 2024, the dates of which are May 30, 2023; August 14, 2023; September 02, 2023; November 10, 2023 and February 13, 2024.

The attendance of each Director at Board Meetings and at the last Annual General Meeting is as under:

Name of the Directors	No. of Board meetings attended	Attendance of last AGM held on 30/09/2023
Mr. Jagan Mohan Reddy Thumma	05	Present
Mr. Joseph Sudheer Reddy Thumma	05	Present
Mrs. Nikitha Tiparnapally	05	Present
Mr. Carwin Heierman	01	Present
Mr. Robert Alan Forbes Jr.	01	Present
Mr. Elisha Thatisetty	02	Present

#### 4. AUDIT COMMITTEE:

##### BROAD TERMS OF REFERENCE:

The terms of reference of the Audit Committee are in order to cover the matters specified under revised Regulation 17(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/ removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances.



### COMPOSITION:

The Audit Committee Comprises of Three Directors comprises of Executive and non-executive and Independent Director. All these Directors possess knowledge of corporate finance, accounts and company law.

The constitution of the Audit Committee as on March 31, 2024 is as follows:

S.N	Name of Directors	Executive/ Non-Executive Independent
1.	Mrs. Nikitha Tiparnapally	Chairperson, (Non-Executive Independent Director)
2.	Mr. Elisha Thatisetty	Member, (Non- Executive Independent Director)
3.	Mr. Robert Alan Forbes Jr.	Member, (Non- Executive Independent Director)

### MEETINGS AND ATTENDANCE

During the year **04 (Four)** Audit Committee meetings were held during the financial year ended March 31, 2024, the dates of which are May 30, 2023; August 14, 2023; November 10, 2023 and February 13, 2024.

The attendance at the Audit Committee Meetings is as under:

S.N	Name of Directors	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mrs. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent Director)	04
2.	Mr. Elisha Thatisetty	Member, (Non- Executive Independent Director)	03
3.	Mr. Robert Alan Forbes Jr.	Member, (Non- Executive - Independent Director)	02

The Chairperson of the Committee was present at the Annual General Meeting of the Company held on 30/09/2023 to attend the shareholders' queries.

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference are in line with Section 178 of the

Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor' s complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

There was no pending complaint as on 31st March, 2024.

### COMPOSITION:

The constitution of the Committee of Directors is as under:

S.N	Name of Directors	Executive/ Non-Executive Independent
1.	Mrs. Nikitha Tiparnapally	Chairperson, (Non-Executive Independent Director)
2.	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)
3.	Mr. Elisha Thatisetty	Member, (Non- Executive Independent Director)

### MEETINGS AND ATTENDANCE

During the year **01 (One)** Meeting was held during the financial year ended March 31, 2024, the date of which is May 30, 2023.

The attendance at the Stakeholders Relationship Committee Meetings is as under:

S.N	Name of Directors	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mrs. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent)	01
2.	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)	01
3.	Mr. Elisha Thatisetty	Member, (Non- Executive Independent Director)	01

### 6. NOMINATION AND REMUNERATION COMMITTEE:

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This Committee has powers to recommend / approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non Executive Directors.

The constitution of the Committee of Directors is as under:

S.N	Name of Directors	Executive/ Non-Executive Independent
1.	Mrs. Nikitha Tiparnapally	Chairperson, (Non-Executive Independent Director)
2.	Mr. Robert Alan Forbes Jr.	Member, (Non- Executive Independent Director)
3.	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)

#### Remuneration Policy for Key Managerial Personnel and other Employees of the Company:

The Company's Remuneration Policy for Key Managerial Personnel and Other employees is driven by the success and the performance of the Company and the individual & industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation programmes, the Company endeavors to attract, retain, develop and motivate a high-performance workforce. The Company follows a mix of fixed/ variable pay, benefits and performance related pay.

#### Role of the Nomination and Remuneration Committee:

The Committee performs the functions enumerated in Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (3) devising a policy on diversity of Board of Directors;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid

down, and recommend to the Board of Directors their appointment and removal;

- (5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The details of Remuneration paid to the Executive Directors & KMP for the Financial Year 2023-24:

S.N	Name of Directors	Executive/ Non-Executive Independent	Amt. (in Rs.)
1.	Mr. Jagan Mohan Reddy Thumma	Managing Director	Rs. 4,80,000.00
2.	Mr. Joseph Sudheer Reddy Thumma	Managing Director designated as Global CEO	-
3.	Mr. Carwin Heierman	Executive Director	-
4.	Mrs. Tiparnapally Nikitha	Non-Executive Director Independent Director	-
5.	Mr. Robert Alan Forbes Jr.	Non-Executive Director Independent Director	-
6.	Mr. Elisha Thatisetty	Non-Executive Director Independent Director	-
7.	Mr. Sanjay M. Chauhan	Chief Financial Officer	Rs. 30,00,000
8.	Mr. Sameer Lalwani	Company Secretary	Rs. 9,77,508

Further, there is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company. None of the Executive Directors are eligible for payment of any severance fees.

#### MEETINGS AND ATTENDANCE

During the year **02 (Two)** Meetings were held during the financial year ended March 31, 2024, to consider and approve the appointment of Directors and other senior officer of the Company, the dates of which are May 30, 2023 and February 13, 2024.





The attendance at the Remuneration Committee Meeting as on March 31, 2024 are as under:

S.N	Name of Directors	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mrs. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent Director)	02
2.	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)	02
3.	Mr. Elisha Thatisetty	Member, (Non-Executive Independent)	01

#### 7. RISK MANAGEMENT COMMITTEE ("RMC"):

Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

The terms of reference, inter alia, include:

- Formulate, monitor and review risk management policy and plan, inter alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual

property infringements risks.

- Approve addition/deletion of banks from time to time for carrying out Treasury transactions and delegate the said power to such person as may deem fit.

#### MEETINGS AND ATTENDANCE

During the year **02 (Two)** Meetings were held during the financial year ended March 31, 2024, to consider and approve the appointment of Directors and other senior officer of the Company.

The attendance at the Remuneration Committee Meeting as on March 31, 2024 are as under:

S.N	Name of Directors	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mrs. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent)	02
2.	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)	02
3.	Mr. Elisha Thatisetty	Member, (Non-Executive Independent)	01

#### 8. GENERAL BODY MEETINGS / POSTAL BALLOT:

Details of the last three years Annual General Meeting are as under:

Financial Year	Date	Location of the Meeting	Time	Special Resolution(s) Passed
2020-21	28/09/2021	Meeting held through Video Conferencing	10.00 A.M.	01
2021-22	10/08/2022	Meeting held through Video Conferencing	10.00 A.M.	06
2022-23	30/09/2023	Meeting held through Video Conferencing	11.30 A.M.	0

During the year under review, the company has not approached shareholders any matter through postal ballot.

#### 9. TRAINING FOR BOARD MEMBERS

Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to conduct familiarization programme enabling the Independent Directors of the Company to understand the Company's business in depth that would facilitate their active participation in managing the Company.

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company, and nature of the industry in which the Company operates business model of the Company, etc. The Company has also

put in place a system to familiarize its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Presentation was made for the newly appointed Independent Directors to make them aware of their roles & duties and Code for Independent Directors, Code of Conduct for Non-Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/ re-appointment. Further, presentations are also made from time to time at the Board and its Committee meetings, on quarterly basis, covering the business & financial performance of the Company & its subsidiaries, quarterly/ annual financial results, revenue and capital budget, review of Internal Audit findings etc.

The details of such familiarization programme are in process

to upload on the Company's website [www.magellanic-cloud.com](http://www.magellanic-cloud.com).

## 10. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The performance of individual Directors was evaluated on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company & the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors at their meeting. The Directors expressed their satisfaction with the evaluation process.

## 11. DISCLOSURES:

### i. Related Party Transactions:

There were no transactions of material nature between the Company and its Directors or Senior Management and their relatives or Promoters that may have potential conflict with interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, have been placed before the Board regularly.

The transactions with related parties as per Indian Accounting Standard (IND AS)-24 are set out in Notes to accounts under Note no. 24 forming part of financial statements. All transactions entered into with Related Parties as defined under Section 188 of the Companies Act, 2013 and Regulation 53 read with Part A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the relevant Indian Accounting Standards (IND AS18) have been made in the Notes to the Financial Statements. The

Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.magellanic-cloud.com](http://www.magellanic-cloud.com).

### ii. Disclosures from Senior Management

Disclosures from Senior Management are obtained on quarterly basis to the effect that they have not entered into any material, financial and commercial transactions, where they have personal interest that may have potential conflict with the interest of the Company at large.

### iii. Compliances by the Company

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market exchange, no penalties/ strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years.

### iv. Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose and protect such individuals in the event of a disclosure. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

- Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.
- Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.
- Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.
- Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will



take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee. All complaints received under the said policy, if any, are reviewed by the Audit Committee at its meeting held every quarter. In staying true to our values of Strength, Performance and Passion and in line with Company's vision of being one of the most respected companies in India; the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

#### **v. Code of Conduct for Directors and Senior Management**

The Board has laid down Codes of Conduct for Executive Directors & Senior Management and for Non-Executive/Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report. The Code of Conduct is available on website of the Company at the link [www.magellanic-cloud.com](http://www.magellanic-cloud.com).

#### **vi. Code of Conduct for Prohibition of Insider Trading**

The Company has framed Code of Conduct for Prohibition of Insider Trading' pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, which is applicable to its Directors, Officers, and Designated Employees. The Code includes provisions relating to disclosures, opening and closure of Trading Window and Pre-Clearance of trades procedure. In compliance with SEBI Regulations the Company sends intimations to Stock Exchanges from time to time.

#### **vii. Subsidiary Companies**

The Company has two foreign subsidiary company and Four Indian subsidiary companies as on March 31, 2024.

The Policy of Material Subsidiaries is available on website of the Company at the link [www.magellanic-cloud.com](http://www.magellanic-cloud.com).

#### **viii. Risk Management & Internal Control**

The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to anticipate, identify, measure, mitigate, monitor and report the risks to meet the strategic business objectives, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report. The Company has a competent in-House Internal Audit team which prepares and executes a vigorous Audit Plan covering various functions such

as operations, finance, human resources, administration, legal and business development etc. across different geographies. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

#### **ix. Sexual Harassment Policy**

The Company has an anti-sexual harassment policy to promote a protective work environment. The complaints received by the Sexual Harassment Committee with details of action taken thereon are reviewed by the Audit Committee at its meeting held every quarter. The Company has a zero-tolerance policy towards such complaints and the same is conveyed to the employees at the time of induction.

S.N	Particulars	No. of Complaints
a.	Complaints filed during the financial year	Nil
b.	Complaints disposed of during the financial year	Nil
c.	Complaints pending as on end of the financial year	Nil

#### **x. Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of Annual Report.

#### **xi. Independent Directors**

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.

#### **xii. Share Reconciliation Audit**

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

**xiii. Review of Directors' Responsibility Statement:**

The Board in its report has confirmed that the annual accounts for the financial year ended 31st March, 2024 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**xiv. Recommendation by Committee:**

The Board has accepted all recommendations made by its committees during the financial year ended 31st March, 2024.

xv. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

Nature of Payments	Amount (Rs. In Lakhs)
Statutory Audit	11,00,000
Tax Audit	1,00,000
Other Services including reimbursement of expenses	25,000
<b>Total</b>	<b>12,25,000</b>

**xvi. Disclosure of the compliance with Corporate Governance:**

The Company has complied with the Regulations 17-21, 22-23, 24A, 25-27 and Clauses (b) to (i) of sub-regulations (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year ended 31st March, 2024.

**12. MEETING OF INDEPENDENT DIRECTOR:**

During the year under review, a separate meeting of the Independent Directors was held in the F.Y. 2023-24. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman, after taking into account the view of Executive Director(s) & Non-Executive Director(s). They also assessed the quality, quantity and timeliness of the flow of information between the Company's management to the Board.

**13. MEANS OF COMMUNICATION:**

The Quarterly Reports of the Company are published in

accordance with the Requirements of the Listing Agreement of the Bombay Stock Exchange Ltd.

Newspapers in which results are normally published:

1. Business Standard (English)
2. Mana Telangana (Regional language)

**14. GENERAL SHAREHOLDER'S INFORMATION:****1. Annual General Meeting Scheduled to be Held:**

Day & Date : Monday, July 15, 2024

Time : At 12:00 Noon

Venue : Through Video Conferencing or OAVM

**2. Date of Book Closure :** July 09, 2024 to July 15, 2024 (both days inclusive).**3. Financial Calendar:**

The next financial calendar year of the Company will be from 1st April, 2024 to 31st March, 2025.

Audited/ Unaudited	Particulars of Financial Reporting	Date
Unaudited	Financial Reporting for the quarter ending 30th June, 2024	Up to 15th Aug, 2024
Unaudited	Financial Reporting for the quarter ending 30th September, 2024	Up to 15th Nov, 2024
Unaudited	Financial Reporting for the quarter ending 31st December, 2024	Up to 15th Feb, 2025
Audited	Financial Reporting for the Audited Financial Result as on 31st March, 2025	Up to 30th May 2025

**4. Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited.

**5. Stock Codes:**

Bombay Stock Exchange Limited : **538891**



## 6. Stock Price Data:

The market price data i.e. monthly high and low prices of the Company's shares on BSE Limited (BSE) are given below:

Month	*BSE	
	Share Price (Rs.)	
	High	Low
Apr-2023	193.95	177.20
May-2023	215.40	185.10
Jun-2023	264.00	216.05
Jul-2023	344.90	226.10
Aug-2023	425.00	321.35
Sep-2023	467.00	382.25
Oct-2023	466.80	435.25
Nov-2023	466.20	454.05
Dec-2023	466.45	448.50
Jan-2024	532.30	401.35
Feb-2024	660.00	517.35
Mar-2024	667.00	517.35

\* Source: BSE Website

## 7. Performance in comparison

\*The company Fully Paid Share Price versus BSE Sensex



\* Source: BSE Website

## 8. Address for Correspondence:

<b>Registered Office</b>	<b>6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Hyderabad, Telangana – 500032</b>
Share Transfer in physical form and in other communication in that regards including share certificates, dividends and change of address etc. may be addressed.	<b>M/s. Niche Technologies Pvt. Ltd</b> 3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata 700 01, West Bengal. Tel: 033- 2280 6616/17/18; Fax: 033-2280 6616 Web Site: www.nichetechpl.com e-mail: nichetechpl@nichetechpl.com

**9. Share Transfer System:**

Shares sent for transfer in physical to Niche Technologies Pvt. Ltd (R&T Agents), are registered and returned within a period of **15 days** from the date of receipt, if the documents are in order. All requests for dematerialization of shares are processed by the Company and Niche Technologies Pvt. Ltd Limited within **21 days**.

**10. Dematerialization of shares:**

As on 31st March, 2024, 11,67,49,959 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 11,68,79,024 aggregating to 99.89%

**11. Distribution of shareholding as on 31st March, 2024:**

No. of shares held	No. of shareholders	No. of shares held	% of shareholding
1 to 500	13772	10,11,674	0.86
501 to 1000	674	5,16,078	0.44
1001 to 5000	936	21,18,777	1.81
5001 to 10000	174	12,60,075	1.07
10001 to 50000	207	47,69,026	4.08
50001 to 100000	32	23,77,152	2.03
100001 and Above	52	10,48,26,242	89.68
<b>TOTAL</b>	<b>15847</b>	<b>11,68,79,024</b>	<b>100</b>

**12. Shareholding Pattern as on 31st March, 2024:**

Particulars of Category	Number of Shareholders	Share	
		Number	% to total Capital
<b>(A) Promoter and Promoter Group Holding</b>			
1. Individual / Hindu Undivided Family	5	68542720	58.644
Bodies Corporate	-	-	-
<b>Total (A)</b>	5	68542720	58.644
<b>(B) Non – Promoter Holding</b>			
<b>Institutions</b>			
Financial Institutional Investors (FIIs)/Banks	-	-	-
Trusts	-	-	-
<b>Non-Institutions</b>			
Bodies Corporate	70	1185399	1.014
Indian Public	15623	36104493	30.89
NRIs	137	10823382	9.260
Foreign Portfolio Investors Category I	12	219730	0.188
Hindu Undivided Family	-	-	-
Investor Education And Protection Fund Authority	-	-	-
<b>Total (B)</b>	15842	48116574	41.36
<b>Grand Total (A)+(B)</b>	15847	11,68,79,024	100

Shareholding pattern in case of dematerialization shares has been prepared based on download of data received from NSDL / CDSL as on 31st March 2024.





**13. Top 10 Shareholders as on March 31, 2024**

SN	For Each of the Top 10 Shareholders	Shareholding as on 31st March, 2024	
		No. of shares	% of total shares of the company
1.	Appaji Kodey	700016	0.599
2.	Chandra Shekar Dosapati	679638	0.581
3.	Jethalal Thakarshi Vora	500000	0.428
4.	Mahendrakumar Manilal Chauhan	2856244	2.444
5.	Pramod Hirabhai Parmar	948864	0.812
6.	Rajitha Dosapati	719600	0.616
7.	Syed Ameeruddin	916984	0.785
8.	Thangavelu Selvaraj	5088060	4.353
9.	Urmila Jethalal Vora	500000	0.428
10.	Varsha Chauhan	2990900	2.559

**CERTIFICATION FROM THE MANAGING DIRECTOR AND CFO:**

In terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the BSE, I hereby certify as under:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
  - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) 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. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

There have been no

- i. Significant changes in internal control over financial reporting during the year;
- ii. Significant changes in accounting policies during the year;
- iii. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For & on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
(Formerly known as South India Projects Limited)

Sd/-  
**Jagan Mohan Reddy Thumma**  
Managing Director  
[DIN: 06554945]

Sd/-  
**Sanjay Chauhan**  
Chief Financial Officer

**Place: Hyderabad**  
**Date: 30th May, 2024**





**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,  
The Members of  
Magellanic Cloud Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Magellanic Cloud Limited** [CIN: L72100TG1981PLC169991] having Registered Office 6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Hyderabad, Telangana – 500032, India (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number(DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.N	DIN No.	Names of Directors/ KMP	Date of Appointment
1.	06554945	Mr. Jagan Mohan Reddy Thumma	29/12/2015
2.	07033919	Mr. Joseph Sudheer Reddy Thumma	29/12/2015
3.	08458981	Mr. Carwin Heierman	28/05/2019
4.	07399613	Mrs. Nikitha Tiparnapally	26/02/2016
5.	08459003	Mr. Robert Alan Forbes Jr.	28/05/2019
6.	08531842	Mr. Elisha Thatisetty	14/08/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For: **M/s. DEEP SHUKLA & ASSOCIATES**  
COMPANY SECRETARIES

Sd/-  
**DEEP SHUKLA**  
{PROPRIETOR}  
FCS: 5652  
CP NO.5364  
UDIN: F005652F000441857

**Place: Mumbai**  
**Date: 24/05/2024**

**DECLARATION BY THE MANAGING DIRECTOR ON 'CODE OF CONDUCT'**

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them.

For & on behalf of the Board of Directors of  
**Magellanic Cloud Limited**

Sd/-

**Jagan Mohan Reddy Thumma**

[DIN: 06554945]

Managing Director

**Place: Hyderabad**

**Date: 30th May, 2024**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE****UNDERSECURITIES AND EXCHANGE BOARD OF INDIA**

(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

**To**

**The Members of**

**Magellanic Cloud Limited**

I have examined the compliance with the conditions of Corporate Governance by Magellanic Cloud Limited ('the Company') for the year ended March 31, 2024, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2023.

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

For: **M/s. DEEP SHUKLA & ASSOCIATES**  
COMPANY SECRETARIES

Sd/-

**DEEP SHUKLA**

{PROPRIETOR}

FCS: 5652

CP NO.5364

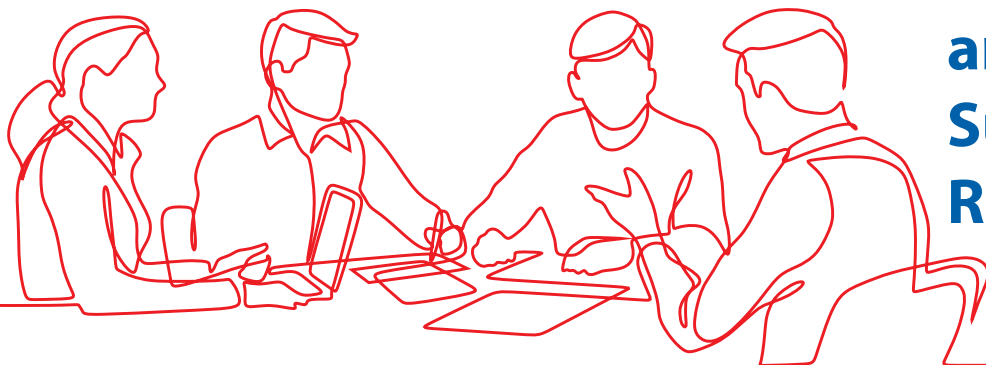
UDIN: F005652F000441890

**Place: Mumbai**

**Date: 24/05/2024**



# Business Responsibility and Sustainability Report



At Magellanic, the ESG's Principles and Core elements are deeply integrated into practices and processes. During the reporting year, we assessed our position with the new NGRBC guidelines, a brief of which is given below:

As early adopters of GRI (Global Reporting Initiative) and IR (Integrated Reporting), our policies and processes cover most elements of the NGRBC— which include identification and engagement with key stakeholders, materiality determination and adopting a comprehensive approach that makes responsible business conduct an integral part of our strategy.

Our policies like the Health and Safety Policy, Human Right Policy, Code of Business Conduct, Supplier Code of Conduct, Data Privacy and CSR policy are implemented by specific operational guidelines and procedures under a cross functional charter which includes the Risk function, Legal and Compliance, Human Resources, Information Security, Operations, Procurement and Ombuds, among others. The tenets of Protect-Respect-Remedy are also integrated in implementation. We ensure appropriate due diligence of these programs through process and performance audits.

The details of governance by sub-committees of the Board are provided as part of our Corporate Governance Report as per **ANNEXURE XI** of this Annual Report. In addition, leadership actively evangelizes these values-based approaches through regular forums. We have robust internal processes to track performance of different elements at multiple levels of detail and coverage – many of which are covered in our public disclosures. We strive to position ourselves as a prominent player in the global sustainable environmental transition. As a responsible business, we readily embraced our commitment to integrate environmental, social and governance (ESG) factors into our operations.

Magellanic has adopted the Business Responsibility and Sustainability Report (BRSR) for fiscal 2024 to provide enhanced disclosures of our ESG practices and priorities. Our BRSR includes our responses to questions about our practices and performance on key principles defined by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, which cover topics across the ESG dimensions.



**SECTION A: GENERAL DISCLOSURES****I. Details of the listed entity**

<b>Corporate Identity Number (CIN) of the Listed Entity:</b>	L72100TG1981PLC169991
<b>Name of the Listed Entity:</b>	Magellanic Cloud Limited
<b>Year of incorporation:</b>	December 04, 1981
<b>Registered office address:</b>	6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Hyderabad, Telangana, 500032
<b>Corporate address:</b>	6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Hyderabad, Telangana, 500032
<b>E-mail:</b>	<a href="mailto:compliance@magellanic-cloud.com">compliance@magellanic-cloud.com</a>
<b>Telephone:</b>	040-46515454
<b>Website:</b>	<a href="http://www.magellanic-cloud.com">www.magellanic-cloud.com</a>
<b>Financial year for which reporting is being done:</b>	April 1, 2023 to March 31, 2024
<b>Name of the Stock Exchange(s) where shares are listed:</b>	BSE Limited (BSE) Code: 538891
<b>Paid-up Capital:</b>	₹ 116,87,90,240
<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:</b>	<ul style="list-style-type: none"> <li>Name: Mr. Jagan Mohan Reddy Thumma</li> <li>Designation: Managing Director</li> <li>Telephone Number: 040-43366058</li> <li>E-mail ID: <a href="mailto:compliance@magellanic-cloud.com">compliance@magellanic-cloud.com</a></li> </ul>
<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):</b>	Disclosures made in this report are on a standalone basis and pertain only to Magellanic Cloud Limited.

**II. Products/services**• **Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the Entity
1.	IT Consulting Services	Development and Designing of Software Applications	99.18%

• **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover Contributed (FY 2023-23)
1.	IT Consulting Services	6201	99.18%

**III. Operations**• **Number of locations where plants and/or operations/offices of the entity are situated:**

The Company is mainly in the business of Information Technology Space and Digital Transformation and Developers.

Location	Total no. of Plants	Total number of offices
National	NA	1
International	NA	-

• **Markets served by the entity:**

Locations	Number
National (No. of States)	29
*International (No. of Countries)	1

\*The Company serves International Market through its Subsidiary(ies).



- **What is the contribution of exports as a percentage of the total turnover of the entity?**

The contribution of exports as a percentage of total turnover is Nil as the Company provides its services outside India through its Subsidiary(ies).

- **A brief on types of customers**
  - **Business to Business**

#### IV. Employees

- **Details as at the end of Financial Year: FY 2023-2024**

- **Employees and workers (including differently abled):**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (B)	% (B / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	145	111	76.55%	34	23.45%
2.	Other than Permanent (E)					
<b>3.</b>	<b>Total employees (D + E)</b>	145	111	76.55%	34	23.45%

- **Differently abled Employees and workers:**

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	-	-	-	-	-

- **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel*	4	0	-

\* Key Management Personnel are Managing Director (MD), Global Chief Executive Officer and Managing Director (CEO & MD), Chief Financial Officer (CFO) and Company Secretary (CS).

- **Turnover rate for permanent employees**

	FY 21-22(In %)			FY 22-23 (in %)			FY 23-24 (In %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	34.9	66.66		82.45	60		84.33	64	
<b>Other than permanent employees</b>	NA								

#### V. Holding, Subsidiary and Associate Companies (including joint ventures)

- (a) **Names of holding / subsidiary / associate companies / joint ventures**

Sl. No	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	JNIT Technologies Inc	Subsidiary	100	No

Sl. No	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
2	Motivity Labs Inc	Step Down Subsidiary	100	No
3	Motivity India Private Limited	Step Down Subsidiary	100	No
4	Scandron Private Limited	Subsidiary	70	No
5	iVIS International Private Limited	Subsidiary	100	No
6	Provigil Surveillance Limited	Subsidiary	99.99%	No

#### VI. CSR Details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
- (ii) Turnover (in ₹.): 21,2202,000
- (iii) Net worth (in ₹.): 1,78,08,83,000
- (iv) Net profit before tax (in ₹.): 10,61,79,836.24
- (v) Total amount spent on CSR for FY 2024 (in ₹.): 11,00,000

#### VII. Transparency and Disclosures Compliances

- Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism In Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 23-24			FY 22-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	-	-	-	-	-	-
Employees	Yes	-	-	-	-	-	-
Customers	Yes	-	-	-	-	-	-
Value Chain Partners	Yes	-	-	-	-	-	-
Others (Please Specify)	-	-	-	-	-	-	-

- Stakeholders having grievances can get redressal of their complaints/grievances in the following manner:
- Filing their complaint on SEBI SCORES Portal:- <https://www.scores.gov.in/scores/Welcome.html>
- Writing directly to the Designated Official of the Company for Investor Grievances.
- Filing a complaint with BSE:- <https://bsecrecs.bseindia.com/ecomplaint/frmlInvestorHome.aspx>
- By writing directly to the Registrar and Share Transfer agent of the company



## Board's Report

- Vigil Mechanism of the company - send email to dedicated Whistleblower email id.
- Stakeholders can also approach statutory authorities for the redressal of their grievances.
- Employees can file a POSH complaint with the company in the manner prescribed.
- Customers having service quality-related issues can always approach the company.
- The Company policies are placed on the Company's website under Policies and the same can be accessed through the web link: <https://magellanic-cloud.com/investors/#>
- **Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Environment: Climate Change	Risk	Environmental strategy and actions of an organization are under careful scrutiny of conscious investors as well as an area of interest for clients for forging strategic partnerships. A low sustainability quotient can potentially impact the realization of new and augmented revenue lines resulting in negative financial and reputational impacts. Industry leading solutions in Net Zero solutions and environmental impact tracking are emerging opportunity areas of high potential	A holistic approach towards carbon neutrality each year including energy efficiency, renewable energy and carbon offsets.	<b>Negative:</b> Increased operating costs in meeting the environmental standards.
2.	Governance: Data privacy and information management	Risk	Cyber-attacks that breach our information network and / or failure to protect sensitive and confidential information of our stakeholders in accordance with applicable laws and contractual obligations may impact our operations and client satisfaction or result in significant regulatory penalties.	- Continued investment in technology. - Awareness programs and trainings. - Cybersecurity and data privacy frameworks and controls.	<b>Negative:</b> Increased operational cost for technological investments and hiring and training talent

## Board's Report

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Governance: Information Technology Security Practices	Opportunity	Emerging requirements from investors, raters and regulators on ambitious ESG requirements and transparency thereof. The risk is reputational in case of instances of non-compliance with regulations or sectoral norms. In addition, Magellanic has always had a strong bedrock of ethical values and governance.	<p>1.Controls put in place to identify and disable inactive devices.</p> <p>2.Effective security controls implemented to detect, prevent and remediate threats.</p> <p>3.Program to continuously monitor the effectiveness of the controls and sustain the security controls.</p> <p>4.Focus on continuous improvement of the efficacy of the security controls with the adoption of new processes and latest technology solutions.</p>	<b>Positive:</b> Minimize Cyber Security and data privacy breach threats to Magellanic and our customers through advanced cybersecurity solutions and adoption of leading data privacy standards
4.	Carbon Emissions	Risk	Increased business will lead to the need for more offices, resulting in a rise in emissions from the increase in electricity usage.	Implementation of energy-efficient technologies and renewable power will help in reducing emissions and help the company achieve its targets.	<b>Negative -</b> Investments in environmentally friendly technology and processes for reducing emissions will lead to increased operating costs.

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web-Link of the Policies, if available	<a href="https://magellanic-cloud.com/investors/#">https://magellanic-cloud.com/investors/#</a>								





Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's Code of Conduct largely imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same in all their dealings.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA

#### Governance, Leadership and Oversight

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Our environmental, social, and governance review, as an Information Technology solution service Company, provides a window into how we are approaching our key responsibilities beyond the business needs. The section's goal is to convey how we're accomplishing our mission while staying loyal to our obligations and applying our values throughout the organisation. We are in a unique position to combine our purpose-driven world view with digital innovation to not only drive our own sustainability, but also partner with customers, civil society and governments to lead and shape solutions for a sustainable future,"

**ESG Initiatives and focus areas:**

**Environment-** Key focus areas under Environment

- **Energy Efficiency**

Regular lights have been replaced with LEDs, and energy efficient air conditioners have been employed in our offices to cut energy use. We have cloud servers for data storage instead of on-site server. This allows us to not only save energy, but also to contribute in a tiny manner to reducing toxic emissions and improving air quality.

- **Water Management**

At our offices, we have automatic water dispensers for drinking, which help regulate the amount of water flow. Taps in the employee bathrooms and cafeteria feature sensors to prevent water waste and spillage. A dedicated team monitors and maintains track of water consumption and usage on a regular basis so that adequate systems for water recycling and conservation may be implemented.

- **Waste Management**

There is a concentrated attempt to reduce plastic waste and the usage of recyclable paper.

For drinking water and other purposes, we have consciously replaced the use of pet plastic bottles. Visual aids highlighting the negative effects of plastic use and the benefits of recycling were placed in strategic spots throughout the organisation to educate and support waste management processes. Waste disposal Dos and Don'ts have been posted around the organisation to keep people on the lookout for digression. The waste paper shredder is used to recycle the garbage that is generated. Wet and dry wastes are separated into biodegradable and non-biodegradable bins.

**Social-** Key focus areas under Social

- **Customer Focused**

As one of the leading IT service organizations, we are focused on building an innovative future, one that is driven by quality software solutions. Our product line appeals to a wide range of people.

As a result, we must constantly simulate, evaluate, and test our services to ensure that they are true to end users' interest and engagement.

- **Employee-Centricity**

The Company places a high value on a healthy and pleasant working environment.

The Company's Board of Directors has established policies to promote diversity and gender equality. The value of excellent behaviour and ethical work is paramount in Magellanic. At work, there is a zero-tolerance policy for sexual harassment, and the Prevention of Sexual Harassment (POSH) policy is fully defined. We treat persons of all sexes, castes, and creeds with respect. Employees' and their family members' health and safety are ensured, and medical aid is provided.

- **Communities**

We've always risen to the occasion when it came to the wellbeing of the community.

During difficult times, we have gone above and beyond to assist local welfare organisations and foundations with basic requirements and necessities.

We assisted in raising awareness of the importance of adopting Covid-appropriate behaviour in the most effective way possible.

- **Investors**

We are committed to fostering good two-way communication with our investors and shareholders in general at Magellanic in order to improve transparency and adequate disclosures to stakeholders. The Investor Relations team is dedicated to keeping investors informed and engaged.

Last year the Company has distributed the Dividend to their shareholders, to thank them for their ongoing support via higher returns and to incentivise them to continue holding the stocks.

Any big problem or issue is dealt with ahead of time and accurately. The Company's website publishes all Investor Relations and Corporate Governance information on a time to time basis.

**Governance:**

- At Magellanic, we strive to maintain high standards of ethical business conduct and compliance of all laws and regulations. The Board of Directors and Management Team promotes sound and well-established corporate governance practices in the interest of its shareholders and other stakeholders including customers, suppliers, employees and the general public. The Company regularly reviews its Governance policies, such that it operates within the periphery of international and local jurisdictions and legal structure.

**Looking Forward**

The future growth potential of Magellanic relies on sustainability, innovation, talent retention, government regulations and acquisitions. Last year we worked towards acquiring – IMS International Private Limited, Provigil Surveillance Limited, Scandron Private Limited including new line of business i.e. Manufacturing of Drones and allied services.

Magellanic is looking to build a strong IT Solutions, Human Capital, E-Surveillance and Drone Solutions offerings globally. We strongly believe we have very strong team of experts with wide experience of working with customers from myriad Industries, incorporating the most updated technology trends in order to provide most innovative and suitable solutions meeting customer needs. The Company also plans to assist its client in inspection through drones in industries like shipping, civil, agriculture, industrial and infrastructure projects and oil and gas services and hence entered into new line of very promising Drone Industry and looking for more acquisitions in said industries.

<p><b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b></p>	<ul style="list-style-type: none"> <li>• Name: Mr. Jagan Mohan Reddy Thumm</li> <li>• DIN: 06554945</li> <li>• Designation: Managing Director</li> </ul>
<p><b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b></p>	<p>The Board of Directors is responsible for decision-making on BRSR.</p>



**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually (A)/ Half yearly (H)/ Quarterly (Q)/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Performance against above policies and follow up action</b>	The Company regularly reviews its BRSR policies either periodically or as needed. This review involves department heads, business heads, and executive directors who assess the effectiveness of the policies and implement any necessary changes. We amend our policies on the basis of recommendation/rectification by management/auditors/consultants/any statutory requirement. We aim to be in forefront in all compliances.																	
<b>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</b>	The Company adheres to the existing regulations as applicable, ensuring compliance.																	

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

Yes, all policies and processes are subject to audits and internal reviews conducted by the Company from time to time. To ensure best practices and manage risks effectively, policies are periodically evaluated and updated.

**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P2	P3	P4	P5	P 6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1:**

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

- 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programmes
<b>Board of Directors</b>	In the reporting period, Magellanic Cloud Limited has conducted several meetings with the Directors, KMPs and Senior Function Heads to discuss updates on the Company performance. During these meetings, the entire range of business activities including macroeconomic and market review, equity performance, earnings outlook, Company's strategy, business model, operations, service and product offerings are discussed.		
<b>Key Managerial Personnel</b>	The Company conducts orientation and on-the-job training programs to enrich employees' understanding of the company's operations and boost job performance. Employees receive training on topics including prevention of sexual harassment (POSH), insider trading awareness, and overall job orientation.		

- 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

The Company conducts all its operations in ethical and transparent manner. Hence the Company has not incurred any fines / penalties /punishment/ award/ compounding fees/ settlement amount from regulators/ law enforcement agencies/ judicial institutions in the FY 2023-2024.

- 3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not applicable

- 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, The Company covers anti-corruption or anti-bribery policy through its Code of Conduct Policy. The Company has accepted the Code of Business Conduct and Ethics, which outlines the minimum ethical and responsible business standards for employees, agents, suppliers, vendors, non-governmental organisations (NGOs), and business partners. Transparency and best practises are important to the Company. This Code of Conduct Policy ensures that laws against child labour are followed, as well as employees' health and safety is taken into consideration.

The policies can be accessed at <https://magellanic-cloud.com/investors/#>

- 5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery.**

	FY 24-23	FY 22-23
<b>Directors</b>	NIL	NIL
<b>KMPs</b>	NIL	NIL
<b>Employees</b>	NIL	NIL



## 6. Details of complaints with regard to conflict of interest:

	FY 24-23		FY 22-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of the KMPs	NIL	NIL	NIL	NIL

**Note:** No complaints with regard to conflict of interest have been observed as the Company conducts all its operations in ethical and transparent manner.

## 7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

### Leadership Indicators

#### 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The company carries out awareness / training programmes for its value chain partners depending on the business needs, stakeholder feedback and regulatory requirements covering various topics in respect of Principle 3: Awareness on Safe Work at height, Use of Personal Protective equipments, First aid & Medical Emergency, Incident Reporting, Housekeeping Awareness, Slip, trip, Falls, General Briefing on Covid-19, Electrical safety, Material Handling, Chemical Safety, Food Safety, Awareness on Earthing, Lux, Noise and Indoor Air Quality Monitoring, Material Safety Data Sheet, HSE Legal Requirement, Lockout and Tag-out, Permit to Work and Principle 6: Environmental Awareness – Overview, Noise Pollution, Energy Conservation, Waste Disposal, Green IT, Energy Management

#### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has a code of conduct for Board Members and Senior Management Personnel of the Company pursuant to the Listing Regulations.

Further, the Board Members and KMPs confirms that there was no material, financial and commercial transactions, where they have interest that may have any potential conflict with the interest of the Company, at the beginning of every financial year and as and when there is any change in such interest. The Directors do not participate in agenda items at the Board/Committee Meetings in which they are interested or deemed to be interested party.

## PRINCIPLE 2:

**Businesses should provide goods and services in a manner that is sustainable and safe**

### Essential Indicators

#### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 24-23 (Rs. In Lac.)	FY 22-23 (Rs. In Lac.)	Details of Improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

Given the nature of business of the Corporation, the relevance of the above is largely restricted to Information Technology (IT) Research & Development.

#### a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, given the nature of business and the industry in which the Company operates, the impact of the Company's operations on the environment/Social Impacts of products and processes etc. is negligible.

#### b. If yes, what percentage of inputs were sourced sustainably?



The Company has a positive relationship with its vendors, and other suppliers, and its business strategies incorporate them in its expansion.

- **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

Since the Company's business activity is to provide IT solution and there is very limited scope for using recycled material as inputs for various business processes. Nonetheless, the Company continually seeks out opportunities to recycle waste.

<b>(a) Plastics (including packaging):</b>	Due to the nature of Company's business, scope regarding these parameters is limited. However, the Company recognizes the requirement to effectively handle waste in an environmentally friendly manner. In order to accomplish these goals, the Company promotes reusing and recycling whenever feasible and closely monitors progress in this area.
<b>(b) E-waste:</b>	
<b>(c) Hazardous waste:</b>	
<b>(d) other waste:</b>	

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The Company does not have any such products hence Extended Producer Responsibility (EPR) is not applicable

#### Leadership Indicators

- **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The primary business of the Company is IT services. Although the Company has not conducted an LCA for its services, it endeavors to have such assessments in the coming years to the extent possible/ applicable.

- **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not Applicable

- **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):** NOT APPLICABLE.
- **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:** NOT APPLICABLE

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA



### PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

##### 1. a. Details of measures for the well-being of employees:

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	111	76.55%	-	-	-	-	-	-	-	-	-
Female	34	23.45%	-	-	-	34	23.45	-	-	-	-
<b>Total</b>	<b>145</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>24.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % Of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % Of total employees	No. of workers covered as a % Of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	82.66%	-	Y	77.18%	-	Y
Gratuity	-	-	-	-	-	-
ESI	33.3%	-	Y	36.88%	-	Y
Others – please specify	-	-	-	-	-	-

##### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

##### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company follows and encourages equality through its Code of Conduct. It believes in promoting diversity and inclusion in its work culture which allows all employees to bring their authentic selves to work and contribute wholly with their skills, experience and perspective for creating unmatched value for all stakeholders

The Company is committed to the principle of equal opportunity for everyone in employment. It will strive to ensure that access to employment, training, promotion and the treatment of Employees is:

- Free from discrimination on the grounds of gender, sexual orientation, race, colour, caste, creed, religion, marital status, disability, or age.
- Based solely on the objective assessment of ability and job-related criteria.

The Company believes that it is in the organization's best interests to ensure that the people, talents and skills available throughout the community are considered when employment opportunities arise. To this end the company supports, wherever practicable, developing and maintaining a workforce, which broadly reflects the diversity of communities in which, we operate throughout India.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	Nil	Nil
Female	Nil	Nil
<b>Total</b>		

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, give details of the mechanism)
Permanent Employees	Yes,
Other than Permanent Employees	Yes, through vigil mechanism

## 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity: NOT APPLICABLE

	FY 23-24			FY 22-23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	While Company doesn't have a labour union, the Company acknowledges and respects its employees' right to engage in peaceful association and collective bargaining. Additionally, the company encourages open communication and direct engagement between management and employees, fostering a healthy work environment.					
-Male						
-Female						
<b>Total Permanent Workers</b>	NA					
-Male						
-Female						

## 8. Details of training given to employees and workers:

Category	FY 23-24					FY 22-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	111	-	76.5%	-	-	114	-	77%	-	-
Female	34	-	23.4%	-	-	35	-	23%	-	-
<b>Total</b>	145	-	100%	-	-	149	-	100%	-	-

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 23-24			FY 22-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	111	-	76.5%	114	-	77%
Female	34	-	23.4%	35	-	23%
<b>Total</b>	145	-	100%	149	-	100%





**10. Health and safety management system:**

- **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

No

- **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Not Applicable, the Company is service based and hence does not have any work-related hazards. The Company ensures safety of all its employees.

- **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Not Applicable.

- **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

- **Details of safety related incidents, in the following format:**

<i>Safety Incident/Number</i>	<i>Category</i>	<i>FY 23-24</i>	<i>FY 22-23</i>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Permanent Employees	0	0
Total recordable work-related injuries			
No. of fatalities			
High consequence work-related injury or ill-health (excluding fatalities)			

- **Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company continues to strive to provide a good, welcoming, safe, and collaborative workplace. The Company will address this in greater detail in the future.

- **Number of Complaints on the following made by employees and workers:**

	<i>FY 23-24</i>			<i>FY 22-23</i>		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	NA	NA	0	NA	NA
Health & Safety	0	NA	NA	0	NA	NA

- **Assessments for the year:**

	<b>% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	100%
Working Conditions	100%

- **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes. The Company ensures that TDS is deducted for all parties and a review is been conducted by internal and statutory audit team.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 23-24	FY 22-23	FY 23-24	FY 22-23
Employees	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) Not Applicable.

5. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

**Note:** The Company does not conduct audit but all its value chain partners are expected to follow extant regulations, including health and safety practices and working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

### PRINCIPLE 4:

**Businesses should respect the interests of and be responsive to all its stakeholders**

#### Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.

Magellanic engages with a broad spectrum of stakeholders, to deepen its insights into their needs and expectations, and to develop sustainable strategies for the short, medium and long term. Stakeholder engagement also helps to manage risks and opportunities in business operations. The key stakeholders identified in consultation with the company's management are: customers, employees, shareholders, academic institutions, staffing firms, other suppliers, technology partners and collaborators, industry bodies, governments, NGOs, local communities, regulators and society at large. The Company identifies key stakeholder groups based on their significance and potential to bring or add value to the Company's activities, products and services. Maintaining regular communication with the stakeholder is crucial, and inclusiveness is prioritized as a vital element of Company's core business strategy.



- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	As needed: Project-related calls and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/ RFPs; sponsored events; mailers; newsletters; brochures	NA	<ul style="list-style-type: none"> <li>• Understanding client, industry and business challenges</li> <li>• Identifying opportunities to improve</li> <li>• Deciding on investments and capabilities required to fulfil demand</li> <li>• Understanding client's data privacy and security requirements</li> </ul>
Govt.	No	As needed	NA	NA
Employees	No	As needed: Town halls; roadshows; project or operations reviews; video conferences; audio conference calls; one-on-one counselling	Daily	Company follows an open-door policy
Shareholders/ Investors	No	As needed: Email, Website & other	NA	<ul style="list-style-type: none"> <li>• Business update</li> <li>• Financial Performance</li> <li>• Statutory Communications</li> </ul>
Regulatory and Statutory Authorities	No	Email, Other	NA	Regulatory compliance
Suppliers	No	Email, Other	NA	NA

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Ours is an IT services, consulting and business solutions organization with a presence across multiple geographies, industries, services and products. The company consults stakeholders on material topics and also conducts annual materiality assessments to update the list on an ongoing basis. Stakeholder interactions result in the identification of a broad funnel of issues important to each of the constituencies. The Company's Sustainability Council uses discussions with internal and external stakeholders, as well as its own judgment, to prioritize and arrive at a list of material topics with significant economic, environmental, or social impacts on Company's business, reputation, and operations. The management of company shares feedback with the Board on these issues.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Active steps are being taken by the Company's Board to identify and collect data on material ESG factors in amalgamation with employees and stakeholders.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The Company is taking initiatives to identify the disadvantaged, vulnerable & marginalised stakeholders and engage with them.

**PRINCIPLE 5:**

**Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 23-24			FY 22-23		
	Total (A)	No. employees/ workers covered (B)	% (B/A)	Total (C)	No. employee/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	145	145	100%	149	149	100%
Other than permanent						
<b>Total Employees</b>	145	145	100%	149	149	100%

**Note:** The Company provides orientation to every employee that is hired which covers human rights issues and policy(ies). The Company is ensuring to collect more data on the training provided in regards to human rights issues.

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 22-23					FY 21-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	111	7	6%	104	73%	114	7	5%	107	72%
Female	34	1	2%	33	26%	35	1	1%	34	23%

**3. Details of remuneration/salary/wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
<b>Board of Directors (BoD)</b>	6	INR 4.8 Lac	1	-
<b>Key Managerial Personnel (Other than BOD)</b>	2	INR 39.77 Lac	0	-
<b>Employees other than BoD and KMP</b>	114	INR 47.68 Lac	37	14.79Lac

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Reporting avenues have been provided for employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company Code, policies or



law including human rights violations. Non-permanent employees can raise the grievances via email to the concerned stakeholders. Additionally, anybody can make protected disclosures under the company's Whistle Blower policy. Representations made in the reporting avenues are reviewed and appropriate action is taken on substantiated violations.

**6. Number of Complaints on the following made by employees and workers:**

	FY 23-24			FY 22-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	-	-	-
Other human Rights related issues	0	0	-	-	-	-

Note: The Company has a 'Policy on Prevention of Sexual Harassment'. There is an Internal Complaints' Committee formed to redress sexual harassment complaints.

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Concerns on discrimination and harassment are dealt with confidentially. The company does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action. The Company has a POSH policy in place to prevent adverse consequences to the complainant in discrimination and harassment cases.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, in all the agreements and contracts, contain clauses on human rights viz non-engagement of child labour, personal hygiene, safety and welfare measures of workers etc.

**9. Assessments for the year:**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	The Company is in compliance with the laws, as applicable. The Company internally monitors compliance for all relevant laws and policies pertaining to these issues.
Forced or Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable. The Company conducts its business in the most ethical and transparent manner. Hence the Company does not have any corrective actions taken or underway.

**Leadership Indicators**

- **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No. The Company has not witnessed a requirement for its business process to be modified / introduced as the Company has not faced any human rights grievances/complaints.

- **Details of the scope and coverage of any Human rights due-diligence conducted.**

The Company does not conduct any human rights due-diligence but is in the process of collecting more data.

- **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

**Yes**, the registered and corporate offices are located in commercial premises which have elevators and infrastructure for differently abled visitors

- **Details on assessment of value chain partners:**

	<b>% Of value chain partners (by value of business done with such partners) that were assessed</b>
<b>Sexual Harassment</b>	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. No specific assessment in respect of value chain partners has been carried out.
<b>Discrimination at workplace</b>	
<b>Child labour</b>	
<b>Forced Labour/ Involuntary labour</b>	
<b>Wages</b>	
<b>Others – Specify</b>	

- **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable. There were no significant risks / concerns arising from the assessments.

## PRINCIPLE 6:

### Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators

- **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

<b>Parameter</b>	<b>FY 23-24</b>	<b>FY 22-23</b>
<b>Total electricity consumption (A)</b>	925.7 Giga Joules (GJ)	611.6976 Giga Joules (GJ)
<b>Total fuel consumption (B)</b>	-	-
<b>Energy consumption through other sources (C)</b>	-	-
<b>Total energy consumption (A+B+C)</b>	925.7 Giga Joules (GJ)	611.6976 Giga Joules (GJ)
<b>Energy intensity per rupee of turnover (Total energy consumption GJ/ turnover in rupees)</b>	Rs. 4.36	Rs. 1.19
<b>Energy intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable. The Company belongs to IT service-based industry and does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.



- Provide details of the following disclosures related to water, in the following format:

Parameter	FY 23-24	FY 22-23
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	Water consumption within the Company's office premises is exclusively allocated for human use, and the Company has taken measures to promote responsible water usage. While no formal monitoring system for water utilization is currently in place, the Company has implemented energy-efficient faucets and fixtures to encourage mindful consumption. Ongoing endeavors involve the acquisition of data regarding water consumption and minimizing wastage.	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>		
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

**Note:** The water usage is restricted to human use only and efforts have been made by the Company to ensure that water is consumed judiciously in the Company's' office premises.

- **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No. The Company has not implemented a mechanism for Zero Liquid Discharge.

- **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 23-24	FY 22-23
NOx	No substantial air emissions have been made by the Company as it is a service sector company. It is however working to collect all the possible relevant data on emissions generated.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**Note:** The Company being in a service sector company does not have significant air emissions.

- **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & Its intensity, in the following format:**

Parameter	Unit	FY 23-24	FY 22-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	tCO <sub>2</sub> e/mn <sup>2</sup>	-	-

Parameter	Unit	FY 23-24	FY 22-23
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity	-	-	-

- **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**  
Not Available, the Company currently does not have any projected related to related to reducing Green House Gas emissions.

- **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 23-24	FY 22-23
<b>Total Waste generated (in metric tonnes)</b>		
<b>Plastic waste (A)</b>	In the company, conscious steps to reduce and encourage reuse and recycling whenever possible and monitors progress in this regard. Moreover, the company partners with certified e-waste handlers to ensure proper disposal of electronic waste. Additionally, the company is exploring the possibility of transitioning from plastic garbage bags to biodegradable ones.	
<b>E-waste (B)</b>		
<b>Bio-medical waste (C)</b>		
<b>Construction and demolition waste (D)</b>		
<b>Battery waste (E)</b>		
<b>Radioactive waste (F)</b>		
<b>Other Hazardous waste. Please specify, if any. (G)</b>		
<b>Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)</b>		
<b>Total (A+B + C + D + E + F + G + H)</b>		

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	
(i) Recycled	NIL
(ii) Re-used	
(iii) Other recovery operations	
<b>Total</b>	

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	
(i) Incineration	Nil
(ii) Landfilling	
(iii) Other disposal operations	
<b>Total</b>	

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No. The Company belongs to IT service-based industry and hence doesn't not carry out any independent assessment/ evaluation/assurance through an external agency.

- **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company belongs to IT service-based industry hence the Company does not produce any hazardous and toxic chemicals.

- **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife**





sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No, the Company does not have operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.

- **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

NA. The Company has not conducted any environmental impact assessments of projects as the Company is in the digital products and services business.

- **Is the entity compliant with the applicable environmental law/ regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, given the nature of business, the Company is in compliance with all the applicable laws.

#### Leadership Indicators

- **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 23-24	FY 22-23
<b>From renewable sources</b>		
Total electricity consumption (A)	NIL	
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
<b>From non-renewable sources</b>		
Total electricity consumption (D)	925.7 Giga Joules (GJ)	611.6976 Giga Joules (GJ)
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	925.7 Giga Joules (GJ)	611.6976 Giga Joules (GJ)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

- **Provide the following details related to water discharged:**

Parameter	FY 23-24	FY 22-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	NIL	
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

- Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):  
For each facility / plant located in areas of water stress, provide the following information:
  - Name of the area
  - Nature of operations
  - Water withdrawal, consumption and discharge in the following format:

Parameter	FY 23-24	FY 22-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the Entity	NA	NA
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

- Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 23-24	FY 22-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	(Metric tonnes of CO <sub>2</sub> Equivalent)	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA



Parameter	Unit	FY 23-24	FY 22-23
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NA, Currently the Company intends to collect data on Scope 3 emissions and report on it in the future.

- **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

NA. The Company does not have any direct or indirect impact on ecologically biodiverse lands.

- **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.**

No. The Company continues to use innovative technology for the betterment of its digital products and to improve customer's user experience. The Company's products do not have any significant impact on resource efficiency/emissions/effluent discharge/waste generated.

- **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ Web-Link.**

Yes. The Company with the collective agreement of the board of directors and has developed a business continuity and disaster management plan.

- **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

NA. The Company belongs to IT service-based industry and does not envisage any adverse impact to the environment from its value chain.

- **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA. The Company belongs to IT service-based industry and hence it has not assessed environmental impacts of value chain partners.

## PRINCIPLE 7:

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

NA

1. b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.** NA

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	NA	NA

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of the case	Corrective Action Taken
NA	NA	NA

**Note:** Not Applicable, (No adverse order received in last Financial Year)

### Leadership Indicators

- Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

**Note:** There is no public policy advocated right now. The Company will address this in the coming future.

### PRINCIPLE 8:

#### Businesses should promote inclusive growth and equitable development

### Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Currently the Company does not have any Social Impact Assessment (SIA) projects in place.					

**Note:** Currently the Company does not have any Social Impact Assessment (SIA) projects in place.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable, the Company has not undertaken any ongoing Rehabilitation and Resettlement (R&R) projects.						

- Describe the mechanisms to receive and redress grievances of the community.  
All agreements between the Company and the stakeholders, contain clauses on handling of grievances, disputes etc. Additionally, The Company has a relevant representative to provide feedback for implementation if required.
- Percentage of input material (Inputs to total inputs by value) sourced from suppliers  
Not Applicable. Since the Company is in the IT service industry.

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (SIA) (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

**Note:** The Company's products/services don't have any negative social impacts. The Company puts emphasis on customer satisfaction and social impact.

2. Provide the following information on CSR projects undertaken by your entity indesignated aspirational districts as identified by government bodies:

Sr. No	State	Aspirational District	Amount spent (In INR)
NA	NA	NA	NA
NA	NA	NA	NA

**Note:** The Company has served several people belonging to the marginalized and vulnerable communities. The Company intends to serve more people belonging to aspirational districts as identified by government bodies.



3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No
- From which marginalized /vulnerable groups do you procure? NA
  - What percentage of total procurement (by value) does it constitute? NA
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit Shared (Yes/No)	Basis of calculating benefit share
1.	NA	NA	NA	NA

Note: The Company has acquired several IPs through acquisitions.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the Case	Corrective action taken
NA	NA	NA

Note: The Company has never had any corrective actions taken or underway in regards to intellectual property.

6. Details of beneficiaries of CSR Projects: NA

Sr. No.	CSR Project	No. of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	NA		

## PRINCIPLE 9:

**Businesses should engage with and provide value to their consumers in a responsible manner**

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company's customers are provided with multiple mechanisms to report complaints or feedback. Each customer concern is addressed with utmost care at all levels. The Company acknowledges, analyses the incidents and develops an action plan to resolve it. The Company engages with the customer, to validate the action plan and regularly updates customers about the progress of action taken. Any feedback from the customer is taken positively and action plans are refined to ensure utmost customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of Total Turnover
Environmental & Social Parameters relevant to the product	Not applicable
Safe & Responsible Usage	Not applicable
Recycling and/or safe disposal	Not applicable

Note: Not applicable, the Company ensures that all its digital products abide the Information Technology Act, 2000 (IT Act) to ensure transparency.

**3. Number of consumer complaints in respect of the following:**

	FY 23-24		Remarks	FY 22-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Others	NA	NA	NA	NA	NA	NA

**Note:** The Company addresses all consumer complaints promptly and ensures consumers are satisfied by the Company's services. The Company ensures that all its digital products abide the Information Technology Act, 2000 (IT Act) to ensure transparency.

**4. Details of instances of product recalls on account of safety issues:**

Not Applicable, since the Company is in the IT service industry.

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes the Company has put in place appropriate and suitable IT measures to monitor and keep malpractices that involve cybersecurity under control.

Web-Link: <https://magellanic-cloud.com/investors/#>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Please refer to the answer to Q.5 above. All the initiatives explained above has ensured that the Company did not have any incidents leading to regulatory issues / penalties.

**Leadership Indicators****1. Channels / platforms where information on products and services of the entity can be accessed (provide Web-Link, if available).**

The information on products and services of the Company can be accessed by the Web-Link: <https://magellanic-cloud.com>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Not applicable, the Company does not have any products/services that can entail safety issues or a usage abuse.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company has a business continuity mechanism in place to handle any disruption of services and a suitable communication plan.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Not Applicable

**5. Provide the following information relating to data breaches:**

- Number of instances of data breaches along-with impact: 0
- Percentage of data breaches involving personally identifiable information of customers: 0%



## Independent Auditor's Report

To the Members of  
**Magellanic Cloud Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Magellanic Cloud Limited ("the Company"), which comprises the standalone balance sheet as at 31 March 2024, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profits and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matters

Revenue recognition – Fixed price contracts where revenue is recognized using percentage of completion method. Refer Note 2.2 and 16 to the standalone financial statements	
The key audit matter	How matter is addressed in our audit
<p>The Company enters in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Company's estimate of contract costs.</p> <p>We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since –</p> <ol style="list-style-type: none"> <li>there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and complex nature of these contracts and significant inputs of IT systems;</li> </ol>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the systems, processes and controls implemented by the Company for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</li> <li>On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including–             <ol style="list-style-type: none"> <li>Evaluated the identification of performance obligations and the ascribed transaction price;</li> </ol> </li> </ol>

## Independent Auditor's Report

<p>2. application of Ind AS 115, Revenue from Contracts with customers is complex and involves a number of key judgments and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;</p> <p>3. these contracts may involve onerous obligations which require critical assessment of foreseeable losses to be made by the Company; and</p> <p>4. at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.</p>	<p>ii. For testing Company's computation of the estimation of contract costs and onerous obligations, if any. We:</p> <ul style="list-style-type: none"> <li>• assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel;</li> <li>• performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract;</li> <li>• assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and</li> <li>• inspected underlying documents and performed analytics to determine reasonableness of contract costs.</li> </ul>
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### Other Information

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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





## Independent Auditor's Report

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the standalone financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## Independent Auditor's Report

2. (A) As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement changes in equity and standalone cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 27 to the standalone financial statements.
  - b) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d)
    - i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - ii. The management has asserted that the Company has engaged in financial transactions involving the advancement or loaning of funds to its Subsidiary Company. This transactions were facilitated through borrowing from other subsidiaries within the same group: The management has stated that the company has:
      - Received funds from its subsidiaries companies and the same have been subsequently loaned to one of the other subsidiary within the group which are the ultimate beneficiaries, or
      - Not provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii contain any material mis- statement.



## Independent Auditor's Report

- e) As stated in Note 8(vi) to the standalone financial statements

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act. The Company has not proposed final dividend during the year.

- f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, except for period from 1 April 2023 to 13 July 2023, when feature of recording audit trail (edit log) facility was not enabled in the accounting software, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Bhuta Shah & CO LLP**  
Chartered Accountants  
Firm Reg. No.: 101474W/W100100

**Atul Gala**  
Partner

Membership Number: 048650  
UDIN: 24048650BKC�HY8762

Place: Mumbai  
Date: 8 May, 2024

## “Annexure - A” to the Independent Auditor's Report

### Annexure – A to the Independent Auditor's Report on the Standalone Financial Statements of Magellanic Cloud Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company does not have any intangible assets and hence, reporting for clause 1(a)(B) of the order is not applicable to the company.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the copy of sale agreement given to us by the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements is held in the name of the Company. The immovable property is mortgaged to the bank against property loan and we are informed that original agreement is with the bank.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company is in service industry and therefore does not hold any inventory. Hence, reporting under clause 3(ii)(a) is not applicable to the company.  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause 3(ii)(b) is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not given any guarantee, or provided security or advances in nature of loans to companies, firms, Limited Liability Partnerships or other parties. The Company has made investments, and granted loans to companies and other parties in respect of which the required information is as below. The Company has not made investments or granted loans to firms, Limited Liability Partnerships and other parties.  
(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans as below:

Rs in Lakhs

Particulars	Loans
<b>Aggregate amount during the year</b>	
- Subsidiary	2367.00
- Others	125.15
- Advances in the nature of Loan to the subsidiary	210.00
<b>Balance outstanding as at balance sheet date</b>	
- Subsidiary	2367.00
- Others	5.80
- Advances in the nature of Loan to the subsidiary	210.00



## “Annexure - A” to the Independent Auditor’s Report

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made and terms and conditions of all loans granted during the year are prima facie, not prejudicial to the interest of the Company except for a loan of Rs 2,577.00 Lakhs to a subsidiary which is interest free.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given there is no stipulation of schedule of repayment of principal and payment of interest and we are unable to comment on the regularity of repayment of principal and payment of interest. Further, the Company has not given any advance in the nature of loan to any party during the year, except of Rs. 210.00 lakhs given to the subsidiary.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans given, there is no stipulated schedule of repayment of principal and payment of interest and we are unable to make specific comment on overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, hence, reporting under clause 3 (iii)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans without specifying any terms or period of repayment as below. The Company has not granted any advance in the nature of loan during the year, except of Rs. 210.00 lakhs given to the subsidiary.

Rs. In lakhs

Particulars	Loans
Aggregate amount of loans/ advances in nature of loans	
- Repayable on demand (A)	
Agreement does not specify any terms or period of repayment (B)	2702.15
<b>Total (A+B)</b>	<b>2702.15</b>

- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made, loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act for the line of business the Company operates. Hence, reporting under Clause 3(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) Based on the records examined by us and according to the information and explanations given to us, in respect of statutory dues:

The undisputed statutory dues including Goods and Services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have not generally been regularly deposited by the company with the appropriate authorities though the delays in deposit have not been serious. However, No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2024 for a period of more than six months from the date they became payable.

## “Annexure - A” to the Independent Auditor's Report

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income tax, Employees State Insurance, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on the records of the Company examined by us, no statutory dues relating to goods and service tax, provident fund, employees state insurance, cess tax, duty of custom, duty of excise and income tax have remain unpaid on account of any dispute except as mentioned below.

Sr no.	Name of Statute	Nature of Dues	Period to which the amount relates	Amount (Rs. In Lakhs)	Forum at Pending
1	Income Tax Act, 1961	Income Tax	Prior to 2020-21	2.45	CPC- Bengaluru
2	Income Tax Act, 1961	Income Tax	2020-21 to 2023-24	5.31	CPC- Bengaluru
3	Income Tax Act, 1961	TDS	Prior to 2020-21	1.59	CPC-TDS
4	Income Tax Act, 1961	TDS	2020-21 to 2023-24	196.21	CPC-TDS

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to information and explanations given to us and on the basis of examination of records of the Company, term loans obtained during the year have been applied for the purpose for which they were obtained, including loan given to the subsidiary.
- (d) According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from its subsidiaries on account of or to meet the obligations of its other subsidiary details of which are as below:

Nature of Fund taken	Details of lender entity	Amount involved (Rs. in Lakhs)	Nature of transactions for which funds utilised	Relationship with the entities funds given to	Remarks
Inter corporate Loan	Subsidiary	2,577.00	Capital expenditure and general purpose.	Subsidiary	Nil

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associates or joint venture (as defined under the Act) during the year ended 31 March 2024.



**“Annexure - A”** to the Independent Auditor’s Report

- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not made any preferential allotment of shares or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3 (ix) (b) of the Order is not applicable to the Company.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the course of the audit.  
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) We have not received any whistle blower complaints during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.  
(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
(c) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.
- xvii. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note 31), ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance

**"Annexure - A"** to the Independent Auditor's Report

sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) According to the information and explanations given to us, there is no unspent amount under subsection (5) of section 135 of the Act pursuant to any project other than ongoing project Hence reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, there is no unspent amount under subsection (5) of section 135 of the Act pursuant to any ongoing project. Hence reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

For **Bhuta Shah & Co. LLP**  
Chartered Accountants  
Firm Reg. No.: 101474W/W100100

**Atul Gala**

Partner

Membership Number: 048650

UDIN: 24048650BKC�HY8762

Place: Mumbai

Date: 8th May, 2024





## **“Annexure - B”** to the Independent Auditor’s Report

### **Annexure B to the Independent Auditors’ Report on the standalone financial statements of Magellanic Cloud Limited for the year ended 31 March 2024**

#### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

(Referred to in paragraph 2(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Magellanic Cloud Limited (“the Company”) as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

#### **MANAGEMENT’S AND BOARD OF DIRECTORS’ RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS**

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements

**"Annexure - B"** to the Independent Auditor's Report

in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.: 101474W/W100100

**Atul Gala**

Partner

Membership Number: 048650

UDIN: 24048650BKC�HY8762

Place: Mumbai

Date: 8th May, 2024



**Standalone Balance Sheet** as at 31st March, 2024

(₹ in Lakhs)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	3	1,115.72	1,056.19
Right of use assets	4	318.51	539.89
Financial assets	5		
(i) Investment in subsidiaries, associates, joint ventures		35,459.30	36,641.21
(ii) Other financial assets		187.59	176.76
Non-current tax assets	7	58.79	20.40
<b>Total non-current assets</b>		<b>37,139.91</b>	<b>38,434.46</b>
<b>II. Current assets</b>			
Financial assets	5		
(i) Trade receivables		3,181.12	2,120.54
(ii) Cash and cash equivalents		20.55	2.80
(iii) Bank balances other than (ii) above		329.76	33.74
(iv) Other financial assets		3,313.39	863.73
Other current assets	6	626.03	341.38
<b>Total current assets</b>		<b>7,470.85</b>	<b>3,362.19</b>
<b>Total assets</b>		<b>44,610.76</b>	<b>41,796.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
Equity share capital	8	11,687.90	11,687.90
Other equity	9	7,803.69	6,120.94
<b>Total equity</b>		<b>19,491.59</b>	<b>17,808.84</b>
<b>Liabilities</b>			
<b>II. Non-current liabilities</b>			
Financial liabilities	10		
(i) Borrowings		18,232.01	7,848.25
(ii) Lease liabilities		75.53	262.06
Provisions	11	46.15	77.91
Deferred tax liabilities (net)	12	63.37	33.85
<b>Total non-current liabilities</b>		<b>18,417.05</b>	<b>8,222.07</b>
<b>III. Current liabilities</b>			
Financial liabilities	10		
(i) Borrowings		15.29	766.56
(ii) Lease liabilities		178.08	190.82
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	3.00
(b) total outstanding dues of creditors other than micro and small enterprises		698.16	1,302.58
(iv) Other financial liabilities		5,699.43	13,247.76
Current tax liabilities	15	-	86.13
Other current liabilities	14	106.95	161.37
Provisions	11	4.21	7.53
<b>Total current liabilities</b>		<b>6,702.11</b>	<b>15,765.74</b>
<b>Total Equity and Liabilities</b>		<b>44,610.75</b>	<b>41,796.65</b>

The accompanying notes form an integral part of the standalone financial statements

 As per our report of even date attached  
 For **Bhuta Shah & Co LLP**  
 Chartered Accountants  
 Firm Registration No: 101474W/W100100

**Atul Gala**  
 Partner  
 Membership No. 048650

 For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
 CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
 Managing Director  
 DIN No. 07033919

**Nikita Tiparnapally**  
 Director  
 DIN No. 07399613

**Sanjay Chauhan**  
 Chief Financial Officer  
 PAN: AFLPC7749G

**Sameer Lalwani**  
 Company Secretary  
 PAN: AIDPL4094N

 Place : Mumbai  
 Date : May 08, 2024

 Place : Hyderabad  
 Date : May 08, 2024

**Standalone Statement of Profit and Loss** for the year ended 31st March, 2024

(₹ in Lakhs)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I. Income</b>			
Revenue from operations	16	7,455.57	5,471.17
Other income	17	278.49	139.34
<b>Total income</b>		<b>7,734.06</b>	<b>5,610.51</b>
<b>II. Expenses</b>			
Cost of materials & services	18	2,219.37	983.61
Employee benefits expense	18	917.28	800.61
Finance costs	19	1,441.41	680.56
Depreciation and amortisation expense	20	288.45	279.25
Other expenses	21	505.57	1,295.50
<b>Total expenses</b>		<b>5,372.08</b>	<b>4,039.53</b>
<b>III. Profit before Tax</b>		<b>2,361.98</b>	<b>1,570.98</b>
<b>IV. Income tax expense</b>	12		
Current tax (including earlier year provision)		521.63	509.08
Deferred tax charge/(credit)		17.62	0.09
Total tax expense		539.26	509.18
<b>V. Profit for the year</b>		<b>1,822.72</b>	<b>1,061.80</b>
<b>VI. Other comprehensive income</b>			
<b>(a) Items that will not be reclassified to profit or loss in subsequent periods</b>			
(i) Remeasurements gains/(losses) on defined benefit plans		47.25	9.54
(ii) Income tax effect on above		(11.89)	(2.40)
<b>Other comprehensive income for the year, net of tax</b>		<b>35.35</b>	<b>7.14</b>
<b>VII. Total comprehensive income for the year, net of tax</b>		<b>1,858.07</b>	<b>1,068.94</b>
<b>VIII. Earnings per equity share [nominal value of share ₹ 10 (Previous year ₹ 10)]</b>	22		
Basic earning per share (₹)		1.56	0.95
Diluted earning per share (₹)		1.56	0.95

**The accompanying notes form an integral part of the standalone financial statements**

As per our report of even date attached  
For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Registration No: 101474W/W100100

**Atul Gala**  
Partner  
Membership No. 048650

Place : Mumbai  
Date : May 08, 2024

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
Managing Director  
DIN No. 07033919

**Sanjay Chauhan**  
Chief Financial Officer  
PAN: AFLPC7749G

Place : Hyderabad  
Date : May 08, 2024

**Nikita Tiparnapally**  
Director  
DIN No. 07399613

**Sameer Lalwani**  
Company Secretary  
PAN: AIDPL4094N



## Standalone Statement of Changes in Equity for the year ended 31st March, 2024

(₹ in Lakhs)

### (a) Equity share capital

Particulars	Number of Shares	Amount
<b>Balance as at March 31, 2022</b>	<b>2,51,66,940</b>	<b>2,516.69</b>
Issue of equity shares of ₹ 10 each	9,17,12,084	9,171.21
<b>Balance as at March 31, 2023</b>	<b>11,68,79,024</b>	<b>11,687.90</b>
Issue of equity shares of ₹ 10 each	-	-
<b>Balance as at March 31, 2024</b>	<b>11,68,79,024</b>	<b>11,687.90</b>

### (b) Other equity

Particulars	Securities premium	General reserves	Retained earnings	Statutory Reserves	Total other equity
As at April 01, 2022	386.64	315.23	605.92	123.89	1,431.68
Profit for the year	-	-	1,061.80	-	1,061.80
Other comprehensive income for the year	-	-	7.14	-	7.14
Total Comprehensive income for the year	-	-	1,068.94	-	1,068.94
Security premium on issue of shares under preferential allotment	12,526.67	-	-	-	12,526.67
Dividend paid during the year	-	-	(140.43)	-	(140.43)
Towards issue of bonus shares	(8,765.93)	-	-	-	(8,765.93)
<b>As at April 01, 2023</b>	<b>4,147.39</b>	<b>315.23</b>	<b>1,534.43</b>	<b>123.89</b>	<b>6,120.94</b>
Profit for the year	-	-	1,822.72	-	1,822.72
Other comprehensive income for the year	-	-	35.35	-	35.35
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,858.07</b>	<b>-</b>	<b>1,858.07</b>
Dividend paid during the year	-	-	(175.32)	-	(175.32)
<b>As at March 31, 2024</b>	<b>4,147.39</b>	<b>315.23</b>	<b>3,217.18</b>	<b>123.89</b>	<b>7,803.69</b>

### The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached  
 For **Bhuta Shah & Co LLP**  
 Chartered Accountants  
 Firm Registration No: 101474W/W100100

**Atul Gala**  
 Partner  
 Membership No. 048650

Place : Mumbai  
 Date : May 08, 2024

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
 CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
 Managing Director  
 DIN No. 07033919

**Sanjay Chauhan**  
 Chief Financial Officer  
 PAN: AFLPC7749G

Place : Hyderabad  
 Date : May 08, 2024

**Nikita Tiparnapally**  
 Director  
 DIN No. 07399613

**Sameer Lalwani**  
 Company Secretary  
 PAN: AIDPL4094N

**Standalone Cash Flow** as at 31st March, 2024

(₹ in Lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flows from operating activities :</b>		
Profit before tax	2,361.98	1,570.98
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	288.46	279.25
Interest income on bank deposits and others	(144.75)	(32.12)
Finance costs	1,441.41	680.56
Unrealized foreign exchange loss /(gain) (net)	(40.86)	-
Provision for Gratuity	14.11	23.71
Provision for Expected Credit Loss	-	34.20
Profit on sale of investment in subsidiary	15.06	-
Net loss / (profit) on sale of ROU	1.06	-
Net loss / (profit) on sale of property, plant and equipment	(0.77)	-
<b>Operating Profit before working capital changes</b>	<b>3,935.69</b>	<b>2,556.58</b>
<b>Movement in working capital</b>		
(Increase)/ Decrease in inventories		-
(Increase)/ Decrease in trade receivables	(1,019.72)	(2,089.23)
(Increase)/ Decrease in non current tax asset	-	(387.42)
(Increase)/ Decrease in other financial assets	(2,466.78)	(274.41)
(Increase)/ Decrease in other current assets	(284.65)	-
Increase/ (Decrease) in trade payables	(607.42)	1,233.90
Increase/ (Decrease) in other financial liabilities	-	4,036.24
Increase in other liabilities	-	137.71
Increase/ (Decrease) in other current liabilities	(54.41)	-
Increase/ (Decrease) in provisions	(1.94)	(11.50)
Cash generated from operations	(499.23)	5,201.87
Income tax paid (net of refund)	(646.15)	(464.08)
<b>Net Cash flows from operating activities (A)</b>	<b>(1,145.38)</b>	<b>4,737.78</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from disposal of subsidiary	90.00	-
Investments in Subsidiaries	-	(26,305.96)
Purchase of property, plant and equipment and intangible assets	(160.92)	(127.78)
Proceeds from sale of property, plant and equipment and intangible assets	17.49	-
Proceeds From disposal of ROU	16.54	-
Interest received on bank deposits	133.93	32.12
<b>Net cash used in investing activities (B)</b>	<b>97.04</b>	<b>(26,401.62)</b>



**Standalone Cash Flow** as at 31st March, 2024

(₹ in Lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>C. Cash flows from financing activities</b>		
Proceeds from preferential allotment of equity shares	-	12,936.69
Repayment of borrowings	(6,332.80)	(22,872.46)
Proceeds from borrowings	15,965.30	30,768.83
Interest paid on borrowings	(7,805.91)	(359.84)
Payment of interest portion of lease liabilities	(89.88)	-
Payment of principal portion of lease liabilities	(199.27)	(179.42)
Payment of dividend	(175.32)	(140.43)
<b>Net cash used in financing activities (C)</b>	<b>1,362.11</b>	<b>20,153.37</b>
<b>Net Increase/ (decrease) in cash and cash equivalents(A+B+C)</b>	<b>313.77</b>	<b>(1,510.46)</b>
<b>Cash and cash equivalents as at beginning</b>	<b>36.54</b>	<b>1,547.00</b>
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents as at closing</b>	<b>350.31</b>	<b>36.54</b>

**Notes**

1	The above Cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7- Statement of Cash Flows		
2	Components of cash and cash equivalents		
	<b>Cash and cash equivalents</b>		
	Balances with banks	350.06	33.74
	Cash on hand	0.25	2.80
	<b>Cash and cash equivalents at the end of the year</b>	<b>350.31</b>	<b>36.54</b>

**The accompanying notes form an integral part of the standalone financial statements**

As per our report of even date attached  
For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Registration No: 101474W/W100100

**Atul Gala**

Partner  
Membership No. 048650

Place : Mumbai  
Date : May 08, 2024

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**

Managing Director  
DIN No. 07033919

**Sanjay Chauhan**

Chief Financial Officer  
PAN: AFLPC7749G

Place : Hyderabad  
Date : May 08, 2024

**Nikita Tiparnapally**

Director  
DIN No. 07399613

**Sameer Lalwani**

Company Secretary  
PAN: AIDPL4094N

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

## 1. Background

Magellanic Cloud Limited, (formerly known as South India Projects Limited) ("the Company") incorporated on 04 December, 1981 is a domestic company, and is domiciled in Hyderabad, India. The registered office of the Company is at Dallas Centre, 6th & 7th Floor, 83/1, Knowledge City, Raidurg, Hyderabad, Talengana 500032. The Company is engaged in the business of IT solutions, E - Surveillance and Human Capital.

## 2. Summary of Material accounting policies

### 2.1 Basis of preparation of standalone financial statements

**Compliance with Ind AS:** These financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

**Classification of assets and liabilities :** All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

#### Measurement of fair values

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 2.2 Revenue Recognition:

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the consideration, net of indirect taxes, discounts, rebates, credits, concessions, incentives, penalties, or other similar items.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

#### Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.





**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

## 2.3 Property plant and equipment

### (i) Tangible property plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

### (ii) Depreciation/Amortisation:

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the costless estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

### (iii) Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

### (iv) Impairment Testing of Property, Plant and Equipment, and Intangible Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

## 2.4 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

### The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## 2.5 Foreign currency transactions

### (i) Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

### (ii) Measurement of monetary items denominated in foreign currency at the Balance Sheet date

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Non monetary foreign currency items are carried at cost.

### (iii) Treatment of exchange differences

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Company's exposure is fixed in INR terms.

## 2.6 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

## 2.7 Income taxes

### (i) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### (ii) Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**2.8 Borrowing costs**

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

**2.9 Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognized and disclosed in Financial statements.

**2.10 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

### **Classification and subsequent measurement**

#### **Financial assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

On initial recognition, a financial asset is classified as – measured at:

Amortised cost; or

Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or

Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or

Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### **Financial liabilities and equity instruments**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

#### **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.



## Notes forming part of the standalone financial statements for the year ended 31st March, 2024

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

### 2.11 Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### 2.12 Business Combination

Business Combination under common control are accounted under "the pooling of interest method" i.e. in accordance with Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

### 2.13 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(i) **Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

(ii) **Revenue Recognition**

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

(iii) **Fair value of financial assets and liabilities**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

#### 2.14 Recent Accounting Pronouncements:

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



<b>3 Property, plant and equipment</b>						
Particulars	Buildings {refer note (b)}	Furniture and fittings	Vehicles {refer note (a)}	Office equipment	Computers Systems	Total
<b>Gross carrying amount</b>						
As at April 01, 2022	789.61	20.45	137.56	117.11	45.06	1,109.80
Additions during the year	-	1.16	97.63	1.49	27.50	127.78
<b>As at March 31, 2023</b>	<b>789.61</b>	<b>21.61</b>	<b>235.20</b>	<b>118.60</b>	<b>72.57</b>	<b>1,237.57</b>
Additions during the year	-	-	159.31	-	1.61	160.92
Disposals/adjustments	-	-	(46.59)	-	-	(46.59)
<b>As at March 31, 2024</b>	<b>789.61</b>	<b>21.61</b>	<b>347.91</b>	<b>118.60</b>	<b>74.18</b>	<b>1,351.90</b>
<b>Accumulated depreciation</b>						
As at April 01, 2022	19.69	0.82	45.28	12.32	37.22	115.33
Depreciation charge for the year	12.50	2.02	19.78	22.08	9.67	66.05
<b>As at March 31, 2023</b>	<b>32.19</b>	<b>2.84</b>	<b>65.07</b>	<b>34.40</b>	<b>46.90</b>	<b>181.38</b>
Depreciation charge for the year	12.50	2.30	37.12	22.11	10.64	84.67
Disposals/adjustments	-	-	(29.87)	-	-	(29.87)
<b>As at March 31, 2024</b>	<b>44.69</b>	<b>5.14</b>	<b>72.31</b>	<b>56.50</b>	<b>57.53</b>	<b>236.18</b>
<b>Net Carrying amounts</b>						
<b>As at March 31, 2023</b>	<b>757.41</b>	<b>18.77</b>	<b>170.13</b>	<b>84.21</b>	<b>25.67</b>	<b>1,056.19</b>
<b>As at March 31, 2024</b>	<b>744.91</b>	<b>16.47</b>	<b>275.60</b>	<b>62.10</b>	<b>16.64</b>	<b>1,115.72</b>

**Notes:**

- (a) Refer Note 10(A) for details of hypothecation.
- (b) Property, plant and equipment includes Building which has a carrying value of Rs 744.91 Lakhs that has been given on operating lease and earns monthly rentals. (Refer Note 17).

**4 Right of use assets**

(i) **Right of use assets:** The Company's lease asset primarily consist of following:

(a) Lease contracts entered by the company pertain for building taken on lease to conduct its business in the ordinary course having lease terms between 36 to 60 months. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

There are certain premises taken on lease by the Company wherein the lease duration is less than 12 months. These are short term leases and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

(ii) **The following is carrying value of right of use assets and movement thereof:**

Particulars	Leasehold Building	Total
As at April 01, 2022	1,017.69	1,017.69
Additions during the year	31.42	31.42
<b>As at March 31, 2023</b>	<b>1,049.11</b>	<b>1,049.11</b>
Additions during the year	-	-
Disposal during the year	30.36	30.36
<b>As at March 31, 2024</b>	<b>1,018.75</b>	<b>1,018.75</b>
<b>Accumulated depreciation</b>		
As at April 01, 2022	296.01	296.01
Depreciation for the year	213.20	213.20
<b>As at March 31, 2023</b>	<b>509.21</b>	<b>509.21</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	Leasehold Building	Total
Depreciation for the year	203.79	203.79
Disposal during the year	(12.75)	(12.75)
<b>As at March 31, 2024</b>	<b>700.25</b>	<b>700.25</b>
<b>Net Carrying amounts</b>		
<b>As at March 31, 2023</b>	<b>539.89</b>	<b>539.89</b>
<b>As at March 31, 2024</b>	<b>318.49</b>	<b>318.49</b>

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	452.88	632.30
Addition during the year	-	31.42
Deletion during the year	(15.90)	-
Finance cost accrued during the year	89.88	60.31
Lease Paid during the year	(273.26)	(271.14)
<b>Balance at the end</b>	<b>253.61</b>	<b>452.88</b>
Current maturities of lease liabilities	178.08	190.82
Non-current lease liabilities	75.53	262.06

(iv) Amount recognised in the statement of Profit and loss during the year:

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation charge of right of use assets	203.79	213.20
Finance cost incurred during the year	89.88	60.31
Income from sub-leasing right-of-use assets (included in other income)	(10.08)	(10.08)
Expense related to short term leases (included in other expenses)	3.39	21.01
<b>Total</b>	<b>286.99</b>	<b>284.43</b>

(v) The Company does not face significant liquidity risk with regard to its lease liabilities as the current cash flow are sufficient to meet the obligation related to lease liabilities as and when they fall due.

(vi) Non-cash investing activities during the year

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Acquisition of right of use assets	-	31.42
Disposal of right of use assets	30.36	-





**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**5 Financial Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(A) Investment in Equity Instruments</b>		
<b>(i) Investment in equity shares of subsidiary, unquoted at cost</b>		
Investment in JNIT INC {1,150 equity shares (March 31, 2023 1,150 equity shares) of \$1- each, fully paid up}	2,600.00	2,600.00
Investment in IVIS International Private Limited (refer note (a) below) {1,41,57,218 equity shares (March 31, 2023) of ₹ 10- each, fully paid up}	29,103.00	30,196.96
Investment in Provigil Surveillance Limited (refer note (b) below) {1,06,66,994 equity shares (March 31, 2023) of ₹ 1- each, fully paid up}	3,597.00	3,597.00
Investment in Scandrone Private Limited (refer note (c) below) {14,00,000 equity shares (March 31, 2023) of ₹ 10- each, fully paid up}	159.30	159.30
Investment in Serial Enterprise Private Limited (refer note (d) below) {Nil equity shares (March 31, 2023: 8,79,499) of ₹ 10- each, fully paid up}	-	87.95
<b>Aggregate value of unquoted equity investments valued at cost</b>	<b>35,459.30</b>	<b>36,641.21</b>

**Notes:**

- The Company has acquired 100% holding in IMS International Private Limited for a consideration of Rs. 29,103 lakhs includes goodwill of Rs.3111.21 lakhs during the previous year. The acquisition is accounted as per Ind AS 103 - Business Combination. The company has adjusted the excess consideration previously recorded on acquisition from the carrying amount.
- The Company has acquired 100% holding in Provigil Surveillance Private Limited for a consideration of Rs. 3,597.00 lakhs includes goodwill of Rs.1,063.01 lakhs during the previous year. The acquisition is accounted as per Ind AS 103 - Business Combination.
- The Company has acquired 70% holding in Scandrone Private Limited for a consideration of Rs. 159.30 lakhs includes goodwill of Rs.80.25 lakhs during the previous year. The acquisition is accounted as per Ind AS 103 - Business Combination.
- The Company has sold its entire stake in the subsidiary, Serial Enterprises Pvt Ltd for the consideration of Rs. 121.49 Lakhs. Loss of Rs 15.06 lakhs on this sale is recognised in the statement of Profit and Loss.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(B) Trade receivables</b>				
<b>Trade receivables from contract with customers - considered goods - billed</b>	-	-	3,181.12	2,120.54
Trade receivables from contract with customers - credit impaired	-	-	34.20	34.20
	-	-	<b>3,215.32</b>	<b>2,154.74</b>
less: Impairment allowance for trade receivable - credit impaired	-	-	(34.20)	(34.20)
<b>Total</b>	-	-	<b>3,181.12</b>	<b>2,120.54</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(a) Trade receivables Ageing Schedule**

**As at March 31, 2024**

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,725.73	-	1,489.59	-	-	3,215.32
<b>Total</b>	<b>1,725.73</b>	<b>-</b>	<b>1,489.59</b>	<b>-</b>	<b>-</b>	<b>3,215.32</b>
Less: Impairment allowance for trade receivable - significant increase in credit risk	-	-	(34.20)	-	-	(34.20)
<b>Net Trade receivables</b>	<b>1,725.73</b>	<b>-</b>	<b>1,455.39</b>	<b>-</b>	<b>-</b>	<b>3,181.12</b>

**As at March 31, 2023**

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2,091.55	7.26	21.73	-	-	2,120.54
Undisputed Trade Receivables – which have significant increase in credit risk	-	18.49	15.71	-	-	34.20
<b>Total</b>	<b>2,091.55</b>	<b>25.75</b>	<b>37.44</b>	<b>-</b>	<b>-</b>	<b>2,154.74</b>
Less: Impairment allowance for trade receivable - significant increase in credit risk	-	(18.49)	(15.71)	-	-	(34.20)
<b>Net Trade receivables</b>	<b>2,091.55</b>	<b>7.26</b>	<b>21.73</b>	<b>-</b>	<b>-</b>	<b>2,120.54</b>

(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at beginning of the year</b>	34.20	
Addition during the year	-	34.20
Utilisation of provision during the year	-	
<b>Balance as at the end of the year</b>	<b>34.20</b>	<b>34.20</b>

(c) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(C) Cash and cash equivalents</b>				
Balances with banks				
In current accounts	-	-	20.30	2.80
Cash on hand	-	-	0.25	-
	-	-	<b>20.55</b>	<b>2.80</b>



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Notes:**

- (a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(D) Other Bank balances</b>				
Deposits with original maturity of more than three months but less than twelve months {refer note (a)}	-	-	319.05	16.96
Unpaid dividend accounts {refer note (b)}	-	-	10.71	16.78
	-	-	<b>329.76</b>	<b>33.74</b>

**Notes:**

- (a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between 3 months to 12 months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.
- (b) Any dividend amount routed to the Unpaid Dividend Account which remains unclaimed or unpaid for seven years from the date of such transfer shall be channelized by the company along with interest accrued, if any, thereon to the fund set up under subsection (1) of section 125.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(E) Other financial assets (Unsecured, considered good unless otherwise stated)</b>				
Security deposits	187.59	176.76	27.29	-
Interest accrued on bank deposits	-	-	3.78	-
Loan to employees (refer note (b) below)	-	-	162.36	220.48
Accrued Interest Income on Inter Corporate Deposits	-	-	104.71	-
Trade receivables from contract with customers - considered goods - unbilled	-	-	235.65	205.53
Inter- corporate deposits (refer note (a) below)	-	-		
- Others	-	-	381.11	322.39
- Related Party	-	-	2,367.00	115.33
Others- Receivable for slump sale consideration.			31.49	-
	<b>187.59</b>	<b>176.76</b>	<b>3,313.39</b>	<b>863.73</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Notes

(a) Disclosure as required by Section 186 of the Companies Act, 2013 for Inter- corporate deposit is as below:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	437.72	486.94
Given during the year (including interest)	5,624.92	39.58
Refunded during the year ( including interest)	(3,314.53)	(88.80)
<b>Closing balance</b>	<b>2,748.11</b>	<b>437.72</b>

(b) Loan granted to Promoters, Directors, KMPs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in nature of loan
KMP	5.80	0.21%
<b>Total</b>	<b>5.80</b>	<b>0.21%</b>

#### 6 Other assets (Unsecured considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Advance other than capital advance</b>				
Advance for material and supplies considered good	-	-	210.70	210.70
Others - Advances to vendor	-	-	88.66	1.75
<b>Others</b>				
Prepaid expenses	-	-	21.64	-
Balances with government authorities considered good	-	-	194.03	128.93
Security Deposit- (Loan collateral)	-	-	111.00	-
	-	-	<b>626.03</b>	<b>341.38</b>

#### 7 Non-current tax assets

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Income Tax assets	58.79	20.40	-	-
	<b>58.79</b>	<b>20.40</b>	-	-



**8 Share Capital**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
<b>(i) Authorised Share Capital</b>				
17,50,00,000 Equity shares of Rs. 10 each	17,50,00,000	17,500.00	17,50,00,000	17,500.00
	<b>17,50,00,000</b>	<b>17,500</b>	<b>17,50,00,000</b>	<b>17,500</b>
<b>(ii) Issued, subscribed and fully paid up</b>				
Equity share capital				
11,68,79,024 Equity shares of ₹ 10/- each with voting rights Security Deposit- (Loan collateral)	11,68,79,024.00	11,687.90	11,68,79,024.00	11,687.90
	<b>11,68,79,024</b>	<b>11,688</b>	<b>11,68,79,024</b>	<b>11,688</b>
<b>(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>				
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the year	1,168.79	11,687.90	251.67	2,516.69
Add: Issue of equity shares under right issue	-	-	-	-
Add: Issue of Bonus Shares	-	-	876.59	8,765.93
Add: Issue of equity shares under preferential allotment	-	-	40.53	405.28
<b>Balance at the end of the year</b>	<b>1,168.79</b>	<b>11,687.90</b>	<b>1,168.79</b>	<b>11,687.90</b>

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
<b>(iv) Details of shareholders holding more than 5% shares in the Company:</b>				
Equity shares of ₹10/- each with voting rights				
Joseph Sudheer Reddy Thumma	4,63,08,224.00	39.62%	4,63,08,224.00	39.62%
Jagan Mohan Reddy Thumma	94,00,000.00	8.04%	94,00,000.00	8.04%
Dennis Reddy Thumma	68,28,348.00	5.84%	68,28,348.00	5.84%
Innamma Reddy Thumma	55,18,596.00	4.72%	55,18,596.00	4.72%

**(v) Terms/rights attached to equity shares**

The Company has only one class of issued equity shares capital having par value of ₹ 10 per share, as on 31 March 2024. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding.

Name of promoters	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of shares	% holding	No. of shares	% holding	
<b>(vi) Shareholding of Promoters</b>					
Joseph Sudheer Reddy Thumma	4,63,08,224.00	39.62%	4,63,08,224.00	39.62%	0.00%
Jagan Mohan Reddy Thumma	94,00,000.00	8.04%	94,00,000.00	8.04%	0.00%
Dennis Reddy Thumma	68,28,348.00	5.84%	68,28,348.00	5.84%	0.00%
Innamma Reddy Thumma	55,18,596.00	4.72%	55,18,596.00	4.72%	0.00%
<b>Total</b>	<b>6,80,55,168.00</b>	<b>58.23%</b>	<b>6,80,55,168.00</b>	<b>58.23%</b>	<b>0.00%</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

(vii) **Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares allotted as fully paid up by way of bonus shares by capitalization of securities premium	-	8,765.93
	-	<b>8,765.93</b>

(viii) **Dividend paid and propose**

Particulars	As at March 31, 2024	As at March 31, 2023
Dividend declared and paid during the year		
Interim dividend of ₹ 0.15 per share	175.32	-
Interim dividend of ₹ 0.55 per share	-	140.43
	<b>175.32</b>	<b>140.43</b>

#### 9 (A) Other equity:

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	4,147.39	4,147.39
General Reserve	315.23	315.23
Retained earnings	3,217.18	1,534.43
Statutory Reserves	123.89	123.89
<b>Total other equity</b>	<b>7,803.69</b>	<b>6,120.94</b>
<b>(i) Securities premium</b>		
<b>Opening balance</b>	<b>4,147.39</b>	<b>386.64</b>
Movement during the year	-	3,760.75
<b>Closing balance</b>	<b>4,147.39</b>	<b>4,147.39</b>
<b>(ii) General Reserve</b>		
<b>Opening balance</b>	<b>315.23</b>	<b>315.23</b>
Movement during the year	-	-
<b>Closing balance</b>	<b>315.23</b>	<b>315.23</b>
<b>(iii) Retained earnings</b>		
<b>Opening balance</b>	<b>1,534.43</b>	<b>605.92</b>
Net profit for the year	1,822.72	1,061.80
Other comprehensive income / (loss) for the year	35.35	7.14
Dividend Paid	(175.32)	(140.43)
<b>Closing balance</b>	<b>3,217.18</b>	<b>1,534.43</b>
<b>(iv) Statutory Reserves</b>		
Opening balance	123.89	123.89
Movement during the year	-	-
<b>Closing balance</b>	<b>123.89</b>	<b>123.89</b>



## Notes forming part of the standalone financial statements for the year ended 31st March, 2024

### Nature and purpose of other reserves

#### (i) Securities premium

The amount received in excess of face value of the equity shares is recognized in Securities Premium. The account is utilized in accordance with the provisions of the Companies Act, 2013.

#### (ii) Retained earnings

Retained earnings are the profits that the Company has earned till date including gain/(loss) on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

#### (iii) General Reserve

Under the erstwhile Companies Act, 1956, general reserves were created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.

#### (iv) Statutory Reserves

Under the erstwhile Companies Act, 1956, general reserves were created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.

(₹ in Lakhs)

### 10 Financial Liabilities (A) Borrowings (valued at amortised cost)

Particulars	Long term borrowing		Short term borrowing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(a) Term loans</b>				
Term loans from bank (secured) {refer note (i) below}	3,562.64	3,170.66	15.29	766.56
Term loans from others (unsecured) {refer note (ii) below}	14,669.38	4,677.59	-	-
	<b>18,232.01</b>	<b>7,848.25</b>	<b>15.29</b>	<b>766.56</b>

(i) The Company has obtained various loans such as Terms Loan, Vehicle Loan, Mortgage Loan, Commercial Loan and Working Capital Term loan from various banks for business purpose.

Vehicle loan is repayable in 36 to 60 equal monthly installments and carries interest rate ranging from 7.99% p.a. to 13% p.a. and maturity between December 2023 till October 2027. The loan is secured against vehicles purchased.

Property loan is repayable in 156 equal monthly installment carrying interest rate 9.8% p.a. and will be maturing in September 2033. The Property is mortgaged to the banks till the time loan is repaid.

Working Capital Term loan is repayable in equal monthly installment between August 2023 to June 2029 and carries interest rate 7.50% p.a. to 16.25% p.a. The loan is secured against Personal guarantee of Directors, commercial property and vacant land which are owned by the Directors.

(ii) The Company has taken term loans from its subsidiaries during the year and same are considered as long term since these are expected to be repaid in a period exceeding 12 months.

Particulars	Rate of Interest	As at March 31, 2024	As at March 31, 2023
Ivis International Private Limited, Wholly Owned Subsidiary	10%	9,044.00	2,370.00
Motivity India Private Limited, Wholly Owned Subsidiary	10%	1,075.38	292.59
Provigil Surveillance Limited, Wholly Owned Subsidiary	10%	4,550.00	2,015.00
<b>Total</b>		<b>14,669.38</b>	<b>4,677.59</b>

(iii) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

(iv) The term loans have been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(B) Lease liabilities</b>				
Lease liabilities (refer note 4)	75.53	262.06	178.08	190.82
	<b>75.53</b>	<b>262.06</b>	<b>178.08</b>	<b>190.82</b>
<b>(C) Trade payables</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	-	3.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	698.16	1,302.58
	-	-	<b>698.16</b>	<b>1,305.58</b>

**Notes:**

**(i) Trade payables Ageing Schedule**

**As at March 31, 2024**

Particulars	Outstanding for following periods from the due date				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of creditors other than micro enterprises and small enterprises	587.30	110.85	-	-	698.16
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>587.30</b>	<b>110.85</b>	<b>-</b>	<b>-</b>	<b>698.16</b>

**As at March 31, 2023**

Particulars	Outstanding for following periods from the due date				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	3.00	-	-	-	3.00
Undisputed dues of creditors other than micro enterprises and small enterprises	1,283.86	18.72	-	-	1,302.58
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>1,286.86</b>	<b>18.72</b>	<b>-</b>	<b>-</b>	<b>1,305.58</b>





**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

(ii) The trade payables are unsecured and non interest-bearing and are usually on varying trade term.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(D) Other financial liabilities</b>				
<b>Financial liabilities measured at amortised cost</b>				
Interest accrued but not due on non-current borrowings	-	-	1,233.03	321
Payable for purchase consideration	-	-	1,843.95	7,647
Payable to employees	-	-	49.63	56.60
Advance received from customers				
(a) Related party	-	-	2,562.70	5,199.94
(b) Others	-	-	-	7.01
Dividend Payable	-	-	10.11	16.18
	-	-	<b>5,699.43</b>	<b>13,247.76</b>

## 11 Provisions

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>				
Provision for Gratuity (refer note 23)	46.15	77.91	4.21	7.53
	<b>46.15</b>	<b>77.91</b>	<b>4.21</b>	<b>7.53</b>

## 12 Income tax and deferred tax

Particulars	As at March 31, 2024	As at March 31, 2023
The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:		
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	590.78	509.08
Adjustment in respect of current income tax of previous year	(69.15)	-
<b>Total current income tax</b>	<b>521.63</b>	<b>509.08</b>
<b>Deferred Tax charge / (credit)</b>		
Relating to origination and reversal of temporary differences	17.62	0.09
<b>Income tax expense reported in the statement of profit or loss</b>	<b>17.62</b>	<b>0.09</b>
<b>(b) Other Comprehensive Income</b>		
Tax expense related to items recognised in Other comprehensive income during the year:		
Income tax on other item in other comprehensive income	(11.89)	(2.40)
<b>Income tax related to items recognised in Other comprehensive income during the year</b>	<b>(11.89)</b>	<b>(2.40)</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(c) Deferred tax liabilities comprises :</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	62.83	51.05
Right of use asset	16.34	14.06
<b>(A)</b>	<b>79.17</b>	<b>65.11</b>
<b>Deferred tax assets</b>		
Expenses allowable on payment basis	(12.68)	(23.90)
Other - Security deposits	(3.12)	(7.36)
<b>(B)</b>	<b>(15.80)</b>	<b>(31.26)</b>
<b>Net Deferred tax liabilities</b>	<b>(A)-(B) 63.37</b>	<b>33.85</b>
<b>(d) Net Deferred tax movement:</b>		
Net deferred tax liabilities at the beginning of the year	33.85	31.36
Deferred tax charged/(credited) to profit and loss account during the year	29.52	2.49
<b>Net deferred tax liabilities at the end of the year</b>	<b>63.37</b>	<b>33.85</b>
<b>(e) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:</b>		
Profit before tax	2,361.98	1,570.98
Applicable tax rate	25.17%	25.17%
Expected Income tax expense	594.51	395.42
Effect of expenses/provisions not deductible in determining taxable profit	3.55	40.71
Adjustment in respect of current income tax of previous year	(69.15)	-
Others	(7.28)	73.05
	<b>521.63</b>	<b>509.18</b>

### 13 Contract balances

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(A) Trade Receivables {refer note (a) below and note 5(B)}	-	-	3,181.12	2,120.54
(B) Contract Liability {refer note (b)}	-	-	2,562.70	5,206.96

#### Notes

- (a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.
- (b) The Company has entered into the agreements with customers for sales of goods and services. The company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the company has obligation to deliver the goods and perform specified services to a customer for which the company has received consideration. Contract liabilities have increased in the current year on account of increase in advance from customer pursuant to increase in business.



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

#### 14 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	-	-	82.65	161.37
Other Payable	-	-	24.30	-
	-	-	<b>106.95</b>	<b>161.37</b>
<b>Statutory Dues payable</b>				
Tax Deducted at Source	-	-	78.21	57.11
Goods and Service Tax	-	-	1.34	106.50
Provident Fund	-	-	2.81	(3.43)
Employee State Insurance	-	-	0.04	1.03
Professional Tax	-	-	0.25	0.17
	-	-	<b>82.65</b>	<b>161.37</b>

#### 15 Current tax liability

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	-	86.13
	-	-	-	<b>86.13</b>

#### 16 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from contract with customers</b>		
<b>Sale of products</b>	-	33.74
Sale of services and tooling income	7,455.57	5,437.43
	<b>7,455.57</b>	<b>5,471.17</b>
<b>Total revenue from operations</b>	<b>7,455.57</b>	<b>5,471.17</b>
<b>Notes:</b>		
<b>(i) Timing of revenue recognition</b>		
Goods transferred at a point in time	-	33.74
Services transferred over the time	7,455.57	5,437.43
<b>Total revenue from operations</b>	<b>7,455.57</b>	<b>5,471.17</b>
<b>(ii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	7,455.57	5,471.17
<b>Total revenue from operations</b>	<b>7,455.57</b>	<b>5,471.17</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(iii) Unsatisfied performance obligations:**

Information about the group's performance obligations are summarised below:

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

**Sales of services:** The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

**17 Other Income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest income on financial assets carried at amortised cost</b>		
Interest on Deposit with banks	6.88	0.72
Interest on security deposit	12.17	10.21
Interest Income on Inter Company Depoits	125.71	21.19
Unrealised Foreign Exchange Gain on foreign currency translation	40.86	-
Rental income	69.50	82.09
<b>Other non-operating income</b>		
Gain on sale of property, plant and equipment (net)	0.77	-
Miscellaneous income	3.31	25.12
Sundry balances written back	19.30	-
	<b>278.49</b>	<b>139.34</b>

**18 Employee benefits expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	848.66	740.49
Contribution to provident and other funds	28.15	10.68
Net defined benefit plan expense (Gratuity) (Refer note 23)	14.11	23.71
Staff welfare expense	26.37	25.72
	<b>917.28</b>	<b>800.61</b>

**19 Finance costs**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	1,315.16	597.57
Interest expense on lease liabilities	89.88	60.31
Interest on TDS	-	1.04
Bank Charges	22.05	7.45
Bank Interest	6.04	-
Fund raising cost	8.28	14.20
	<b>1,441.41</b>	<b>680.56</b>



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

## 20 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 3)	84.66	66.05
Depreciation on right-of-use assets (refer note 4)	203.79	213.20
	<b>288.45</b>	<b>279.25</b>

## 21 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	9.68	2.53
Repairs and maintenance	8.15	16.63
Rates and taxes	5.89	46.63
Travelling and conveyance expense	34.58	51.81
Legal and professional charges	77.35	168.47
Insurance expense	0.62	2.79
Advertisement and sales promotion expense	2.65	19.06
Printing and stationery expense	1.73	1.98
Impairment allowance for trade receivable - credit impaired	-	34.20
Exchange fluctuations (net)	154.76	124.13
Miscellaneous expenses	3.95	0.32
Housekeeping services	12.28	5.71
Consultancy Charges	-	432.00
Property Tax	0.79	1.63
Marketing Expenses	-	0.21
Customs Duty	-	0.37
Donation	-	5.61
Commission	-	106.18
CSR Expense ( Refer note (ii) below)	11.59	-
Audit Fee ( Refer note (i) below)	12.25	12.43
Telephone Charges	4.04	17.68
Internet Charges	0.57	1.89
Rent Expenses	3.39	21.01
Service Charges	0.25	91.46
Loss on sale of Investment	15.06	-
Loss on lease termination	1.06	-
Computer Consumables	4.01	15.08
Postage and Telegram	3.48	9.25
Office Expenses	105.83	102.20
Fine & Penalties	2.57	-
Listing Fees	3.60	-
Courier Charges	-	0.16
Bank Interest	-	4.08
Others	1.13	-
Write Off	24.30	-
	<b>505.57</b>	<b>1,295.50</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Note:**

**(i) Details of payments to auditors**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>As auditor:</b>		
Audit fee	11.00	11.18
Tax Audit fee	1.00	1.00
<b>In other capacities:</b>		
Certification fee and others	0.25	0.25
<b>Total</b>	<b>12.25</b>	<b>12.43</b>

**(ii) Contribution towards corporate social responsibility expense (CSR)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) amount required to be spent by the company during the year,	10.64	-
(b) amount of expenditure incurred,	11.59	-
(c) amount of previous year excess spent	-	-
(d) Amount spent during the year on:		
i) Construction/ acquisition of assets	-	-
ii) On purposes other than above	11.59	-
(e) Excess spent during the year	0.95	-

**22 Earnings per share (EPS)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year	1,822.72	1,061.80
Weighted average number of equity shares (in Nos)		
-Basic	11,68,79,024.00	11,68,79,024.00
-Diluted	11,68,79,024.00	11,68,79,024.00
Basic earnings per share in rupees ( Face Value Rs 10 per share)	1.56	0.91
Diluted earnings per share in rupees ( Face value Rs 10 per share)	1.56	0.91

**23 Disclosure of Defined benefit plans and Defined contribution plan**

**(A) Defined benefit plan**

The Company operates following defined benefit plan obligations:

**(a) Gratuity (defined benefit plan)**

In accordance with the applicable laws, the company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(i) Net defined benefit liability recognised in the balance sheet**

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	(50.37)	(85.44)
<b>Net liability recognized in consolidated balance sheet</b>	<b>(50.37)</b>	<b>(85.44)</b>
Non-current portion term	46.15	77.91
Current portion	4.21	7.53

**(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)**

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Current service cost	10.02	18.66
Interest cost (net)	4.09	5.05
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>14.11</b>	<b>23.71</b>

**(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-**

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the year	85.44	73.23
Current service cost	10.02	18.66
Interest cost	4.09	5.05
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions		-
Actuarial changes arising from changes in financial assumptions	0.80	(3.35)
Actuarial changes arising from changes in experience adjustments	(48.05)	(6.19)
Benefits paid	(1.94)	(1.97)
<b>Closing defined benefit obligation</b>	<b>50.37</b>	<b>85.44</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(iv) Re-measurements loss recognised in other comprehensive income (OCI):**

Particulars	Gratuity Benefits	
	As at March 31, 2024	As at March 31, 2023
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions		-
Actuarial changes arising from changes in financial assumptions	0.80	(3.35)
Actuarial changes arising from changes in experience adjustments	(48.05)	(6.19)
<b>Recognised in other comprehensive income</b>	<b>(47.25)</b>	<b>(9.54)</b>

**(v) Principal actuarial used in recognition of Defined benefit obligation are as follows:**

Particulars	Gratuity Benefits	
	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.53%	7.41%
Future salary increase	8.00%	8.00%
Expected return on plan assets	N.A	N.A

**(vi) Mortality rate**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

**(vii) Quantitative sensitivity analysis for significant assumptions is as shown below:**

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
1% increase in discount rate	46.87	(5.92)
1% decrease in discount rate	55.59	6.80
1% increase in salary escalation rate	55.22	5.33
1% decrease in salary escalation rate	47.02	(4.97)
1% increase in Rate of Employee Turnover	-	(0.21)
1% decrease in Rate of Employee Turnover	-	0.17





**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(viii) Maturity profile of defined benefit payments (undiscounted):**

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
1st following year	4.22	7.53
2nd following year	4.13	7.10
3rd following year	4.27	7.49
4th following year	4.63	7.95
5th following year	4.71	8.32
Sum of years 6 to 10	22.64	40.36
Sum of years 11 and above	66.84	94.97

- (ix) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (x) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
- (xi) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- (xii) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(B) Defined contribution plan**

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident and other funds	28.15	10.68
<b>Total</b>	<b>28.15</b>	<b>10.68</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

## 24 Related Party Disclosures

The related parties as per identified by management.

### (A) Names of related parties and description of relationship:

- (i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Entity Name	Relationship
Motivity Labs Private Limited	Subsidiary of Motivity Inc
Motivity Inc (USA)	Subsidiary of JNIT Inc
Serial Enterprise Private Limited {8,79,499 equity shares (March 31, 2022 : Nil) of ₹10- each, fully paid up}	Subsidiary(till 15.11.2023)
Ivis International Private Limited	Subsidiary w.e.f 1.05.2022
Provigil Surveillance Limited	Subsidiary w.e.f 9.11.2022
Scandron Private Limited	Subsidiary w.e.f 16.03.2023
JNIT Technologies Private Limited	Director have Significant Influence

- (ii) Key management personnel

Entity Name	Relationship
Joseph Sudheer Reddy Thumma	Managing Director
Jagan Mohan Reddy Thumma	Managing Director
Sanjay Mahendra Chauhan	Chief Financial Officer
Nikitha Tiparnapally	Director
Robert Alan Forbes Jr	Director
Carwin Heierman	Director
Elisha Thatisetty	Director
Sameer Rajkumar Lalwani	Company Secretary

- (iii) Relatives of key management personnel

Entity Name	Relationship
Dennis Reddy Thumma	Relative of Director
Jayshree Chauhan	Relative of KMP
Mamta Chauhan	Relative of KMP



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(B) Key managerial personnel**

Payments made to Director

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Salary Paid</b>		
Jagan Mohan Reddy Thumma	-	4.80
<b>Rent Paid</b>		
Joseph Sudheer Reddy Thumma	243.10	257.25
<b>Maintenance Paid</b>		
Joseph Sudheer Reddy Thumma	67.52	64.31
<b>Purchase Consideration</b>		
Jagan Mohan Reddy Thumma (Relative of Director)	-	17.14

Payments to Key Managerial and relatives of KMP

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Rent Paid</b>		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	3.12	6.85
Jayshree Chauhan (Relative of KMP)	3.74	6.85
<b>Loan Given</b>		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	125.15	-
<b>Loan Repaid</b>		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	119.35	-
<b>Salary Paid</b>		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	28.50	24.00
Sameer Rajkumar Lalwani ( Company Secretary)	9.67	8.50
Mamta Chauhan (Relative of KMP)	-	5.00
Varsha Chauhan (Relative of KMP)	12.00	12.00
Jayshree Chauhan (Relative of KMP)	12.00	12.00

**(C) Transactions with related parties**

(i) Transactions with related parties for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Sale of goods/services</b>		
JNIT Technologies INC (Overseas)	2,852.38	2,947.44
Dennis Reddy Thumma	-	10.01
	<b>3,440.01</b>	<b>2,957.45</b>

Notes forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Services Received</b>		
Motivity Labs Private Limited	756.00	250.00
<b>Investments made</b>		
IVIS International Private Limited	-	30,196.96
Provigil Surveillance Ltd	-	3,597.00
Serial Enterprise Private Limited	-	87.95
Scandron Private Limited	-	159.30
	-	<b>34,041.21</b>
<b>Sale of Investment</b>		
Serial Enterprise Private Limited	136.55	-
	<b>136.55</b>	-
<b>Intercompany Deposits Repaid</b>		
IVIS International Private Limited	559.13	5,305.00
Motivity Labs Private Limited	3,350.94	1,134.50
Provigil Surveillance Ltd	2,000.00	
	<b>5,910.07</b>	<b>5,305.00</b>
<b>Intercompany Deposits Accepted</b>		
IVIS International Private Limited	7,150.00	7,675.00
Provigil Surveillance Ltd	4,535.00	2,015.00
Motivity Labs Private Limited	4,133.40	1,427.09
	<b>15,818.40</b>	<b>11,117.09</b>
<b>Advances Received</b>		
JNIT Inc	1,073.67	932.40
Motivity Inc	1,467.88	1,467.88
Serial Enterprise	-	5.00
JNIT Technologies Private Limited	1.02	-
	<b>2,541.55</b>	<b>2,405.28</b>
<b>Advances Given</b>		
JNIT Technologies Private Limited	-	1.80
Scandrone Private Limited	2,367.00	
Serial Enterprise	-	89.75
	<b>2,367.00</b>	<b>91.55</b>
<b>Interest Accrued on ICD (Expense)</b>		
IVIS International Private Limited	481.96	301.28
Provigil Surveillance Ltd	531.71	32.93
	<b>1,013.68</b>	<b>334.21</b>
<b>Interest Accrued on ICD (Income)</b>		
Motivity Labs Private Limited (income)	125.71	22.15
	<b>125.71</b>	<b>22.15</b>



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(D) Balances with related parties**

(i) Balances Outstanding as at March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Payables</b>		
Motivity Labs Private Limited (India)	1,075.38	292.59
Motivity INC	-	1,467.88
JNIT Technologies INC	-	843.50
IMS International Private Limited	8,960.87	2,370.00
Provigil Surveillance Ltd	4,550.00	2,015.00
	<b>14,586.25</b>	<b>6,988.97</b>
<b>Receivables</b>		
Serial Enterprise Private Limited	31.49	97.63
	<b>31.49</b>	<b>97.63</b>

**Notes:**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- As at March 31, 2024, the Company has granted loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

**25 Fair value measurements**

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial instruments by category</b>				
Other financial assets (current and non current)	3,500.98	3,500.98	1,040.49	1,040.49
Trade receivables (current and non current)	3,181.12	3,181.12	2,120.54	2,120.54
Cash and cash equivalents	20.55	20.55	2.80	2.80
Other bank balances (current and non current)	329.76	329.76	33.74	33.74
<b>Total</b>	<b>7,032.41</b>	<b>7,032.41</b>	<b>3,197.57</b>	<b>3,197.57</b>
Borrowings (short term and long term)	18,247.30	18,247.30	8,614.81	8,614.81
Lease liabilities (current and non current)	253.61	253.61	452.88	452.88
Other financial liabilities (current and non current)	5,699.43	5,699.43	13,247.75	13,247.75
Trade payables (current and non current)	698.16	698.16	1,305.58	1,305.58
<b>Total</b>	<b>24,898.49</b>	<b>24,898.49</b>	<b>23,621.02</b>	<b>23,621.02</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**(i) Fair value hierarchy**

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2024**

Particulars	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	3,500.98	-	-	3,500.98
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				-
Borrowings (short term and long term)	18,247.30	-	-	18,247.30
Lease liabilities (current and non current)	253.61	-	-	253.61
Other financial liabilities (current and non current)	5,699.43	-	-	5,699.43

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023**

Particulars	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,040.49	-	-	1,040.49
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				-
Borrowings (short term and long term)	8,614.81	-	-	8,614.81
Lease liabilities (current and non current)	452.88	-	-	452.88
Other financial liabilities (current and non current)	13,247.75	-	-	13,247.75

**26 Segment Information**

No separate disclosure with respect to segment reporting is made as the criteria with respect to reportable segment as per IND AS 108 is not met during the year.



## 27 Contingent Liability & Commitments

### Contingent Liabilities for Taxation Matters

(i) Demands against the Company not acknowledged as debts and not provided for :

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Income Tax Demand</b>		
Prior to 2020-21	2.45	2.45
2021-22	-	2.07
2020-21 to 2023-24	5.31	4.02
	<b>7.76</b>	<b>8.54</b>
<b>TRACES Demand</b>		
Prior to 2020-21	1.59	1.59
2020-21 to 2023-24*	196.21	193.19
	197.80	194.78
	<b>205.56</b>	<b>203.32</b>

Note\* Out of 196.21 of Traces Demand Rs. 185.63 pertains to A.Y 2023-24

## 28 Financial risk management objectives and policies

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

### (a) Market Risk Management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans deposits, and investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity obligations and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2024 and March 31, 2023.

### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's major customers are located in international market due to which the Company is also exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the movement in foreign currency exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies approved by its Board of Directors.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)  
Currency USD

Particulars	As at March 31, 2024	As at March 31, 2023
Advances from Foreign Customers	30.74	45.39

#### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities as given below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gain/ (loss) Impact on profit before tax and equity		Gain/ (loss) Impact on profit before tax and equity	
	Change +1%	Change -1%	Change +1%	Change -1%
Advance from Customers	(0.31)	0.31	(0.45)	0.45

#### (ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. All the existing borrowings of the Company carry fixed rate of interest and in functional currency. At 31 March 2024, the Company has following fixed rate borrowings:

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	18,247.30	8,614.81
<b>Total Borrowings</b>	<b>18,247.30</b>	<b>8,614.81</b>

#### (b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The company's reliance on borrowing, which has been used as a substitute for equity, and the emerging liquidity issues it faces including servicing of the interest on the borrowings. Total borrowings of the Company, including accrued interest not paid, aggregates Rs. 18247.30 lakhs as against total net worth of the entity of Rs. 19,491.90 lakhs.

#### Maturity profile of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

##### As at March 31, 2024

Particulars	Less than 1 Years	1-5 Years	More than 5 Years	Total
<b>As at March 31, 2024</b>				
Borrowings	15.29	17,681.13	551.00	18,247.42
Lease liabilities	178.08	75.53	-	253.61
Trade payable	698.16	-	-	698.16
Other financial liabilities	5,699.43	-	-	5,699.43





**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	Less than 1 Years	1-5 Years	More than 5 Years	Total
<b>As at March 31, 2023</b>				
Borrowings	766.56	7,848.25	-	8,614.81
Lease liabilities	190.82	262.06	-	452.88
Trade payable	1,305.58	-	-	1,305.58
Other financial liabilities	13,247.76	-	-	13,247.76

**(c) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

**(i) Trade Receivables**

The customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. Customer credit risk is managed by respective department head subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. There is one single customer from whom the Company earns revenue of more than 10%, however, there is no credit default risk from this customer since the amount are generally received in advance. Refer note 5(B) for movement in credit loss allowance during the year.

**(ii) Financial instruments and deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Other financial assets (current and non-current)	3,500.98	1,040.49
Cash and cash equivalents	20.55	2.80
Other bank balances (current and non current)	329.76	33.74
	<b>3,851.29</b>	<b>1,077.03</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables	3,181.12	2,120.54
	<b>3,181.12</b>	<b>2,120.54</b>

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>The ageing analysis of trade receivables has been considered from the date the invoice falls due</b>		
Trade Receivables		
0 to 180 days due past due date	1,725.73	2,091.55
More than 180 days past due date	1,455.39	28.99
<b>Total Trade Receivables</b>	<b>3,181.12</b>	<b>2,120.54</b>

## 29 Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

### Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loan and borrowing *	18,247.30	8,614.81
Less : Cash and cash equivalent	20.55	2.80
<b>Net debts</b>	<b>18,267.85</b>	<b>8,617.61</b>
Equity / Net Worth	19,491.59	17,808.84
<b>Total Capital</b>	<b>19,491.59</b>	<b>17,808.84</b>
<b>Capital and Net debts</b>	<b>37,759.44</b>	<b>26,426.45</b>
<b>Gearing Ratio (Net Debt/Capital and Net Debt)</b>	<b>48.38%</b>	<b>32.61%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

\* Borrowings does not includes Lease liabilities

## 30 Additional Regulatory Information

- (i) **Details of Benami property:** No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) **Wilful defaulter:** Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) **Compliance with approved scheme of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on current.
- (iv) **Utilisation of borrowed funds :** The Company has conducted financial transactions involving the advancement or loaning of funds to one of its subsidiary company. The said transactions was funded through borrowing from other subsidiaries within the same corporate group: The management has stated that the company has:



**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

- a. Received funds from its subsidiaries companies and have been subsequently loaned to other subsidiary within the group which are the ultimate beneficiaries, or
- b. Not provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (v) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (vii) **Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken including funding to one if its subsidiary.

(viii)	Particulars	As at March 31, 2024	As at March 31, 2023	Variance	% change
	<b>Current ratio (in times)</b>	1.11	0.21	0.90	422.7%
	Total current assets/Total current liabilities				
	<b>Debt-Equity ratio (in times)</b>	0.95	0.51	0.44	86.4%
	(Debt consists of borrowings and lease liabilities)/(Total Equity)				
	<b>Return on equity ratio (in %)</b>	10%	10%	0.00	0.1%
	(Profit for the year less Preference dividend (if any))/(Average total equity)				
	<b>Trade receivables turnover ratio (in times)</b>	2.81	5.01	(2.19)	-43.8%
	(Revenue from operations)/(Average trade receivables)				
	<b>Net capital turnover ratio (in times)</b>	-1.28	-0.92	(0.36)	39.2%
	(Revenue from operations)/(Average Working Capital)				
	<b>Net profit ratio (in %)</b>	24%	19%	0.05	26.0%
	(Profit for the year)/(Revenue from operations)				
	<b>Return on capital employed (in %)</b>	10%	11%	(0.01)	-9.3%
	(Profit before tax and finance costs)/(Capital employed = Net worth + Lease liabilities + Deferred tax liabilities)				
	<b>Operating Profit Margin (in %)</b>	88%	85%	0.02	2.7%
	(Operating Profit)/(Revenue from operations)				
	<b>Debt Service Coverage Ratio</b>	2.91	3.85	(0.93)	-24.3%
	(Earning for Debt Service = EBIT + Depreciation)/(Debt service = Interest and lease payments + Principal repayments)				

**Notes** forming part of the standalone financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Notes :**

**(a) Reasons for movement in ratios**

- (i) **Current Ratio :** Increase is due to decrease in current liability as short term borrowings are increased during the year.
- (ii) **Debt Equity Ratio :** Increase in current year is primarily due to additional borrowings during the year.
- (iii) **Trade Receivables Turnover (times) :** Decrease is due to higher receivables at the year end on account of unbilled and pending realisation of the Q4 debtors.
- (iv) **Net Capital Turnover Ratio :** Decrease is due to increase in current liability during the year on account of current maturity of long term borrowings.

**31 The comparative previous year figures are reclassified or regrouped, wherever required.**

**The accompanying notes form an integral part of the standalone financial statements**

As per our report of even date attached  
For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Registration No: 101474W/W100100

**Atul Gala**  
Partner  
Membership No. 048650

Place : Mumbai  
Date : May 08, 2024

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
Managing Director  
DIN No. 07033919

**Sanjay Chauhan**  
Chief Financial Officer  
PAN: AFLPC7749G

Place : Hyderabad  
Date : May 08, 2024

**Nikita Tiparnapally**  
Director  
DIN No. 07399613

**Sameer Lalwani**  
Company Secretary  
PAN: AIDPL4094N



## Independent Auditor's Report

To The Members of  
**Magellanic Cloud Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Magellanic Cloud Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit matters

Key audit matters ("KAM") are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
	<b>Revenue recognition – Fixed price contracts where revenue is recognized using percentage of completion method.</b>	
	Refer Note 2.3 and 18 to Consolidated financial statements	
	<p>The Group enters in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Group's estimate of contract costs.</p> <p>We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since –</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</li> <li>2. On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including–</li> </ol>

## Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>1. there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and complex nature of these contracts and significant inputs of IT systems;</p> <p>2. application of Ind AS 115, Revenue from Contracts with customers is complex and involves a number of key judgments and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;</p> <p>3. these contracts may involve onerous obligations which require critical assessment of foreseeable losses to be made by the Company; and</p> <p>4. at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet</p>	<p>i. Evaluation of the identification of performance obligations and the ascribed transaction price;</p> <p>ii. For testing Group's computation of the estimation of contract costs and onerous obligations, if any. We:</p> <ul style="list-style-type: none"> <li>• assessed that the estimates of costs to complete the contracts were reviewed and approved by appropriate designated management personnel;</li> <li>• performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract;</li> <li>• assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and</li> </ul>
2.	<p>Valuation assessment of Intangible assets i.e. Software on one of the Group Component (IVIS)</p> <p>Refer to Note 5 to the consolidated financial Statements.</p> <p>The Holding Company holds intangible assets and tests its cash generating units (CGU) for impairment at least annually. As at 31 March, 2024 the Holding Company revalued it's intangible assets. The carrying value of intangible assets after revaluation has been increased from 3,445.45 lakhs to 3,630.10, hence net increase in carrying value of Rs. 184.66 lakhs.</p> <p>We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence</p> <p><b>Test of Controls:</b></p> <p>We tested the design, implementation and operating effectiveness of key controls over the assumptions and inputs used in cash flow forecasts and valuation models.</p> <p><b>Test of Details:</b></p> <ul style="list-style-type: none"> <li>• Involved independent valuation specialist to assist in evaluating the appropriateness of the valuation models used are appropriate and whether the discount rate applied in the value is appropriate;</li> <li>• Evaluated the appropriateness of the assumptions applied to key inputs such as discount rate, gross profit margin, net profit margin, perpetual growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Holding Company and the industry;</li> <li>• Performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the valuation;</li> </ul>



## Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>Evaluated the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.</li> </ul> <p>We also compared historical actual results to those budgeted to assess the quality of management's forecasts.</p>

### Other information

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements, and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

## Independent Auditor's Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters:

- 1) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements, without giving effect of the elimination of intra-group transactions, reflect, total assets of Rs. 32,671.52 Lakhs as at March 31 2024 and total revenue of Rs. 42,474.84 lakhs, and total net profit after tax of Rs. 6,416.55 Lakhs and net cash outflow of Rs. (177.10) Lakhs, total comprehensive income of Rs. (12.16) Lakhs for the year ended on March 31,





## Independent Auditor's Report

2024. These financial statements have been audited by other auditor, whose financial statements and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates the amount and disclosures in respect of these subsidiaries, is based solely on report of such other auditors.

Two of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors ) Rules, 2014.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding as well as subsidiary company as on 31 March 2024 taken on record by the respective Board of Directors, none of the directors of group companies is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The modifications relating to the maintenance of accounts and other matters connected therewith are stated in the paragraph 2(A)(b) above and on reporting under section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014.
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

## Independent Auditor's Report

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer income tax liabilities and service tax liabilities disclosed in the consolidated balance sheet along with Note 32 to the consolidated financial statements.
  - b) The Group did not have any material foreseeable losses on long-term contracts, including derivative contracts, during the year ended 31 March 2024.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Indian subsidiary companies.
  - d) i The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii above contain any material misstatement.
  - e) The dividend declared or paid during the year by the Holding Company incorporated in India is in compliance with Section 123 of the Act.
  - f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April, 2023. Based on our examination which included test checks for 4 subsidiaries, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
    - (i) In case of the 2 subsidiaries incorporated in India, the feature of recording audit trail (edit log) was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of accounts relating to consolidation.
    - (ii) In case of the Holding Company and one of its subsidiary incorporated in India, except for the period from 1 April 2023 to 13 July 2023, when feature of recording audit trail (edit log) facility was not enabled in the accounting software, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, in case of 1 subsidiary incorporated in India, the feature of recording audit trail (edit log) facility was not enabled in the accounting software.





## Independent Auditor's Report

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its Indian subsidiary to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For **Bhuta Shah & CO LLP**

*Chartered Accountants*

Firm Reg. No.: 101474W / W100100

**Atul Gala**

*Partner*

Membership Number: 048650

UDIN: 24048650BKCNHZ6621

**Place: Mumbai**

**Date: 8 May, 2024**



**"Annexure - A"** to the Independent Auditor's Report on the Consolidated Financial Statements

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remark given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No	Name of the entity	CIN	Relationship	Clause no. of the CARO report which is unfavourable
1.	Magellanic Cloud Limited	L72100TG1981PLC169991	Holding Company	Clause iii(c) & (d), Clause vii(b)
2.	Provigil Surveillance Limited	U65993TG1992PLC014157	Subsidiary	Clause iii(c),(d)&(e), Clause vii(b), Clause ix(d)
3.	Ivis International Private Limited	U74900TG2014PTC170088	Subsidiary	Clause ii(b), Clause iii(c),(d)&(e), Clause vii(b), Clause ix(d)
4.	Motivity Labs Private Limited	U72900TG2010PTC066869	Subsidiary	Clause iii(c),(d)&(e), Clause vii(b),

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.:101474W / W100100

**Atul Gala**

Partner

Membership No.: 048650

UDIN: 24048650BKC�HZ6621

Place: Mumbai  
May 08, 2024



## **“Annexure - B” to the Independent Auditor’s Report on the Consolidated Financial Statements**

### **Annexure B to the Independent Auditor’s Report on the Consolidated Financial Statements on the Consolidated Financial Statements of Magellanic Cloud Limited for the year ended 31 March, 2024**

#### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph A(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Magellanic Cloud Limited (“the Holding Company”) as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

#### **Management’s and Board of Director’s Responsibilities for Internal Financial Control**

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

#### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

**"Annexure - B" to the Independent Auditor's Report on the Consolidated Financial Statements**

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.:101474W / W100100

**Atul Gala**

Partner

Membership No.: 048650

UDIN: 24048650BKC�HZ6621

**Place: Mumbai**  
**May 08, 2024**

## Consolidated Balance Sheet as at 31st March, 2024

(₹ in Lakhs)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	3	9,980.20	7,332.32
Right of use assets	4	2,338.96	2,956.76
Capital work in progress	3	578.79	148.89
Goodwill on Consolidation	5	11,026.80	12,052.78
Other Intangible assets	5	20,692.28	20,568.01
Intangible assets under development	5	1,638.07	-
Financial assets			
(i) Other financial assets	6	588.81	488.46
Deferred tax assets	14	36.09	563.06
Non-current tax assets	9	58.79	464.08
Other non-current assets	8	-	45.00
<b>Total non-current assets</b>		<b>46,938.79</b>	<b>44,619.36</b>
<b>II. Current assets</b>			
Inventories	7	1,181.24	1,897.96
Financial assets	6		
(i) Trade receivables		23,506.06	6,804.99
(ii) Cash and cash equivalents		1,078.94	5,042.32
(iii) Bank balances other than (ii) above		589.55	358.62
(iv) Other financial assets		1,197.88	3,451.64
Other current assets	8	5,206.97	10,344.15
Current tax assets	9	284.17	-
<b>Total current assets</b>		<b>33,044.81</b>	<b>27,899.69</b>
<b>Total assets</b>		<b>79,983.60</b>	<b>72,519.04</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
Equity share capital	10	11,687.90	11,687.90
Other equity	11	28,968.85	17,997.65
Total equity attributable to owners of the Company		40,656.75	29,685.56
Non-controlling Interest		36.16	22.09
<b>Total equity</b>		<b>40,692.91</b>	<b>29,707.64</b>
<b>Liabilities</b>			
<b>II. Non-current liabilities</b>			
Financial liabilities	12		
(i) Borrowings		18,093.44	14,621.04
(ii) Lease liabilities		1,916.58	2,458.70
Provisions	13	188.84	186.67
Deferred tax liabilities	14	958.78	1,538.44
<b>Total non-current liabilities</b>		<b>21,157.64</b>	<b>18,804.85</b>
<b>III. Current liabilities</b>			
Financial liabilities	12		
(i) Borrowings		7,423.69	4,082.43
(ii) Lease liabilities		451.07	410.85
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		522.66	2,918.17
(b) total outstanding dues of creditors other than micro and small enterprises		3,292.61	1,207.00
(iv) Other financial liabilities		3,791.36	9,744.84
Other current liabilities	16	613.67	3,528.74
Provisions	13	15.56	88.09
Current tax liabilities	17	2,022.43	2,026.42
<b>Total current liabilities</b>		<b>18,133.05</b>	<b>24,006.55</b>
<b>Total Liabilities</b>		<b>39,290.69</b>	<b>42,811.39</b>
<b>Total Equity and Liabilities</b>		<b>79,983.60</b>	<b>72,519.04</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No: 101474W/W100100

**Atul Gala**

Partner

Membership No. 048650

For and on behalf of the Board of Directors of

**Magellanic Cloud Limited**

CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**

Managing Director

DIN No. 07033919

**Sanjay Chauhan**

Chief Financial Officer

PAN: AFLPC7749G

**Nikita Tiparnapally**

Independent Director

DIN No. 07399613

**Sameer Lalwani**

Company Secretary

PAN: AIDPL4094N

Place : Mumbai

Date : May 08, 2024

Place : Hyderabad

Date : May 08, 2024

**Consolidated Statement of Profit and Loss** for the year ended 31st March, 2024

(₹ in Lakhs)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I. Income</b>			
Revenue from operations	18	56,042.86	42,746.88
Other income	19	1,743.19	1,910.03
<b>Total income</b>		<b>57,786.05</b>	<b>44,656.92</b>
<b>II. Expenses</b>			
Purchases of stock In trade	20	369.82	-
Cost of raw materials and components consumed	21	399.16	2,065.97
Cost of Services	22	7,671.42	2,440.61
Change in inventories of finished goods	23	52.01	(212.45)
Employee benefits expense	24	20,447.34	17,986.51
Finance costs	25	2,112.57	1,210.77
Depreciation and amortisation expense	26	3,951.12	2,147.33
Other expenses	27	8,727.31	9,640.11
<b>Total expenses</b>		<b>43,730.75</b>	<b>35,278.85</b>
<b>III. Profit before Tax</b>		<b>14,055.30</b>	<b>9,378.06</b>
<b>IV. Income tax expense</b>	14		
Current tax		3,481.83	1,912.83
Deferred tax charge		223.88	54.25
Earlier year tax		54.14	0.69
<b>Total tax expense</b>		<b>3,759.85</b>	<b>1,967.76</b>
<b>V. Profit for the year</b>		<b>10,295.45</b>	<b>7,410.30</b>
<b>VI. Other comprehensive income</b>			
<b>(a) Items that will not be reclassified to profit or loss in subsequent periods</b>			
(i) Remeasurements gains/(losses) on defined benefit plans		47.75	22.78
(iii) Gain/loss on revaluation of Intangible assets		184.66	1,757.90
(v) Income tax on items that will not be reclassified to profit or loss		383.97	(448.20)
<b>(b) Items that will be reclassified to profit or loss in subsequent periods</b>			
(i) Foreign currency translation reserve (Net of income tax)		109.92	673.71
<b>Total other comprehensive income for the year, net of tax</b>		<b>726.29</b>	<b>2,006.19</b>
<b>VII. Total comprehensive income for the year, net of tax</b>		<b>11,021.74</b>	<b>9,416.49</b>
<b>VIII. Profit attributable to:</b>	22		
Owners of the company		10,281.37	7,388.21
Non-controlling interest		14.08	22.09
		<b>10,295.45</b>	<b>7,410.30</b>
<b>IX. Other comprehensive income attributable to:</b>			
Owners of the company		726.29	2,006.19
Non-controlling interest		-	-
		<b>726.29</b>	<b>2,006.19</b>
<b>X. Total comprehensive income attributable to:</b>			
Owners of the company		11,007.67	9,394.41
Non-controlling interest		14.08	22.09
		<b>11,021.74</b>	<b>9,416.49</b>
<b>XI. Earnings per equity share [nominal value of share ₹ 10 (Previous year ₹ 10)]</b>	28		
Basic earning per share(₹)		8.81	6.62
Diluted earning per share(₹)		8.81	6.62

**The accompanying notes form an integral part of the consolidated financial statements**

As per our report of even date attached  
For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Registration No: 101474W/W100100

**Atul Gala**  
Partner  
Membership No. 048650

Place : Mumbai  
Date : May 08, 2024

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
Managing Director  
DIN No. 07033919

**Sanjay Chauhan**  
Chief Financial Officer  
PAN: AFLPC7749G

Place : Hyderabad  
Date : May 08, 2024

**Nikita Tiparnapally**  
Independent Director  
DIN No. 07399613

**Sameer Lalwani**  
Company Secretary  
PAN: AIDPL4094N





## Consolidated Statement of Changes in Equity for the year ended 31st March, 2024 (₹ in Lakhs)

### (a) Equity share capital

Particulars	Number of Shares	Amount
<b>Balance as at March 31, 2022</b>	<b>2,51,66,940</b>	<b>2,516.69</b>
Issue of equity shares of ₹ 10 each	9,17,12,084	9,171.21
<b>Balance as at March 31, 2023</b>	<b>11,68,79,024.00</b>	<b>11,687.90</b>
Issue of equity shares of ₹ 10 each	-	-
<b>Balance as at March 31, 2024</b>	<b>11,68,79,024.00</b>	<b>11,687.90</b>

### (b) Other equity

Particulars	Securities premium	General reserves	Statutory Reserves	Foreign currency translation reserve	Retained earnings	Total other equity	Non-controlling interest
As at April 01, 2022	386.64	315.23	605.92	605.92	605.92	123.89	1,431.68
<b>Profit for the year</b>	-	-	-	-	7,388.21	7,388.21	22.09
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-	-
Opening Foreign currency translation adjustment	-	-	-	(219.02)	-	(219.02)	-
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	17.05	17.05	-
Foreign Currency Translation Reserve	-	-	-	673.71	-	673.71	-
Gain/loss on revaluation of Intangible assets net off taxes	-	-	-	-	1,315.43	1,315.43	-
<b>Total Comprehensive income for the year</b>	-	-	-	<b>454.69</b>	<b>8,720.69</b>	<b>9,175.39</b>	<b>22.09</b>
<b>Transactions with owners in their capacity as owners:</b>							
Security premium on issue of shares under preferential allotment to qualified institutional buyers	12,526.67	-	-	-	-	12,526.67	-
Dividend paid during the year	-	-	-	-	(140.43)	(140.43)	-
Towards issue of Bonus Shares	(8,765.93)	-	-	-	-	(8,765.93)	-
<b>As at March 31, 2023</b>	<b>4,147.39</b>	<b>315.23</b>	<b>123.89</b>	<b>760.61</b>	<b>12,650.54</b>	<b>17,997.65</b>	<b>22.09</b>
<b>Profit for the year</b>					<b>10,281.37</b>	<b>10,281.37</b>	<b>14.08</b>
<b>Other comprehensive income for the year</b>					-	-	-
Opening Foreign currency translation adjustment				138.85	-	138.85	-
Re-measurement gains / (losses) on defined benefit plans net of tax				-	35.73	35.73	-
Foreign Currency Translation Reserve				109.92	-	109.92	-
Gain/loss on revaluation of Intangible assets net off taxes				-	580.65	580.65	-
<b>Total Comprehensive income for the year</b>	-	-	-	<b>248.77</b>	<b>10,897.75</b>	<b>11,146.52</b>	<b>14.08</b>
<b>Transactions with owners in their capacity as owners:</b>							
Dividend paid during the year					(175.32)	(175.32)	
<b>As at March 31, 2024</b>	<b>4,147.39</b>	<b>315.23</b>	<b>123.89</b>	<b>1,009.38</b>	<b>23,372.97</b>	<b>28,968.85</b>	<b>36.16</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached  
For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Registration No: 101474W/W100100

**Atul Gala**  
Partner  
Membership No. 048650

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
Managing Director  
DIN No. 07033919

**Nikita Tiparnapally**  
Independent Director  
DIN No. 07399613

**Sanjay Chauhan**  
Chief Financial Officer  
PAN: AFLPC7749G

**Sameer Lalwani**  
Company Secretary  
PAN: AIDPL4094N

Place : Mumbai  
Date : May 08, 2024

Place : Hyderabad  
Date : May 08, 2024

**Consolidated Cash Flow** as at 31st March, 2024

(₹ in Lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flows from operating activities :</b>		
Profit before tax	14,055.31	9,378.06
<b>Adjustments to reconcile profit before tax to net cash flows</b>	-	-
Depreciation and amortisation expense	3,951.12	2,159.25
Interest income on bank deposits and others	(65.63)	(416.80)
Gain of lease termination & modification	(21.80)	-
Profit on sale of Property, plant & equipment	(0.77)	-
Gain on sale of investment	(12.90)	-
Reversal of ECL	(2.99)	-
ECL Provision	1.04	-
Provision for Defined benefit obligation	113.22	-
Unrealised forex gain	(40.86)	-
Unrealised forex loss	36.05	-
Gain of leave encashment	(27.88)	-
Loss on lease termination	1.06	-
Interest on lease liability	281.12	-
Liabilities / provisions no longer required written back	(1,515.13)	-
Finance costs	2,961.48	1,198.86
<b>Operating Profit before working capital changes</b>	<b>19,712.44</b>	<b>12,319.37</b>
<b>Movement in working capital</b>		
(Increase)/ Decrease in trade receivables	(16,216.06)	(5,031.14)
(Increase)/Decrease in Inventories	697.70	(3,152.70)
(Increase)/Decrease in Loans	-	1,264.48
(Increase)/Decrease in Provisions	(105.10)	1,235.73
(Increase)/Decrease in Other financial assets - current	2,118.88	(5,752.15)
(Increase)/Decrease in Other financial assets - non current	49.74	-885.93
(Increase)/Decrease in Other non current assets	43.81	523.48
Increase/(Decrease) in short term loans and advances	-	(2,892.01)
(Increase)/Decrease in Other current assets	4,605.92	(15,037.35)
Increase/(Decrease) in Trade Payables	(234.84)	5,823.64
Increase/(Decrease) in Other Current Liabilities	(1,362.79)	6,545.41
Increase/(Decrease) in Provisions	-	-
Increase/(Decrease) in Other Financial Liabilities	(3,384.49)	22,129.86
<b>Cash generated from operations</b>	<b>5,925.20</b>	<b>17,090.70</b>
Income tax paid (net of refund)	(2,729.28)	(1,124.93)
<b>Net Cash flows from operating activities (A)</b>	<b>3,195.92</b>	<b>15,965.77</b>
<b>B. Cash flows from investing activities</b>		
Payment of property, plant & equipments & Intangibles (including capital work in progress)	(7,682.96)	(10,814.80)
Purchase of Investment	90.00	(26,305.96)
Interest income	35.67	416.80
<b>Net cash used in investing activities (B)</b>	<b>(7,557.29)</b>	<b>(36,703.96)</b>



**Consolidated Cash Flow** as at 31st March, 2024

(₹ in Lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>C. Cash flows from financing activities</b>		
Issue of Shares	-	12,936.69
Dividend paid during the year	(175.32)	(140.43)
(Repayment) / Borrowing from financial institutions/Others	4,833.05	6,559.96
Lease Payments	(1,067.33)	2,102.95
Interest Expense	(2,961.48)	(1,198.86)
<b>Net cash used in financing activities (C)</b>	<b>628.92</b>	<b>20,260.31</b>
<b>Net Increase/ (decrease) in cash and cash equivalents(A+B+C)</b>	<b>(3,732.45)</b>	<b>(477.88)</b>
<b>Cash and cash equivalents as at beginning</b>	<b>5,400.94</b>	<b>5,878.83</b>
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents as at closing</b>	<b>1,668.49</b>	<b>5,400.94</b>

**Notes**

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows
- Components of cash and cash equivalents

<b>Cash and cash equivalents</b>		
Balances with banks		
In current / cash credit accounts	1,078.05	5,029.17
Deposits with a original maturity of less than three months	589.55	358.62
Cash on hand	0.89	13.15
<b>Cash and cash equivalents at the end of the year</b>	<b>1,668.49</b>	<b>5,400.94</b>

**The accompanying notes form an integral part of the consolidated financial statements**

As per our report of even date attached  
 For **Bhuta Shah & Co LLP**  
 Chartered Accountants  
 Firm Registration No: 101474W/W100100

**Atul Gala**  
 Partner  
 Membership No. 048650

Place : Mumbai  
 Date : May 08, 2024

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
 CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
 Managing Director  
 DIN No. 07033919

**Sanjay Chauhan**  
 Chief Financial Officer  
 PAN: AFLPC7749G

Place : Hyderabad  
 Date : May 08, 2024

**Nikita Tiparnapally**  
 Independent Director  
 DIN No. 07399613

**Sameer Lalwani**  
 Company Secretary  
 PAN: AIDPL4094N

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

## 1 Background

Magellanic Cloud Limited, (formerly known as South India Projects Limited) ("the Group") incorporated on 04 December, 1981 is a domestic Group, and is domiciled in Hyderabad, India. The registered office of the Group is at Dallas Centre, 6th & 7th Floor, 83/1, Knowledge City, Raidurg, Hyderabad, Talengana 500032. The Group is engaged in the business of IT solutions, E - Surveillance and Human Capital.

## 2 Summary of critical accounting policies

### 2.1 Basis of preparation of financial statements

**Compliance with Ind AS:** The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

**Classification of assets and liabilities :** All assets and liabilities have been classified as current or non-current based on the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

#### Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 2.2 Basis of Consolidation

#### Subsidiaries

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries.

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

In case of loss of control of a subsidiary, the difference of the aggregate of fair value of consideration received and fair value of retained interest as compared to the carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and related noncontrolling interest, if any, is recognised as gain or loss in Consolidated statement of profit and loss. Additionally, components of Other Comprehensive Income of Subsidiaries are reclassified to Consolidated statement of profit and loss or transferred directly to retained earnings.

The fair value of any investment retained at the date when control is lost is regarded as the cost on initial recognition of investment in an associate or jointly controlled entity or as the fair value on initial recognition of investment classified as a financial asset. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

### 2.3 Revenue Recognition:

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the consideration, net of indirect taxes, discounts, rebates, credits, concessions, incentives, penalties, or other similar items.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

#### Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

### 2.4 Property plant and equipment

#### (i) Tangible property plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

#### (ii) Depreciation/Amortisation:

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the costless estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

#### (iii) Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

#### (iv) Impairment Testing of Property, Plant and Equipment, and Intangible Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated

## Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

### (v) Goodwill and Intangible Assets

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination. Intangible assets are initially recognised at cost except those acquired in a business combination.

Subsequent to initial recognition, intangible assets are accounted by the Group using revaluation model for its software used in e-surveillance business. the revaluation gain is recognised in Other comprehensive income as revaluation reserve and carrying amount adjusted to the extent. Any decrease in the carrying amount as a result of revaluation is recognised in the statement of profit or loss except to the extent of any credit balance in the revaluation surplus available with the Group in respect of that asset. Intangible assets are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

**Intangible assets under development:** The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset. Intangible assets acquired under business combination Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

## 2.5 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Group is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.



## Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### 2.6 Foreign currency transactions

#### (i) Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

#### (ii) Measurement of monetary items denominated in foreign currency at the Balance Sheet date

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Group outstanding at the Balance Sheet date are restated at the year-end rates.

Non monetary foreign currency items are carried at cost.

#### (iii) Treatment of exchange differences

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Group's exposure is fixed in INR terms.

### 2.7 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 2.8 Income taxes

#### (i) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### (ii) Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Group

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**2.9 Borrowing costs**

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

**2.10 Provisions and contingencies:**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognized and disclosed in Financial statements.

**2.11 Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Classification and subsequent measurement**

**Financial assets**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

On initial recognition, a financial asset is classified as – measured at:

Amortised cost; or





## Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or

Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or

Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

#### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

#### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate

## Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

### 2.12 Impairment of financial assets

The Group applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### 2.13 Business Combination

The Group accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Before recognising capital reserve in respect thereof, the Group determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional asset or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it directly in equity as capital reserve. Non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to initial acquisition, the carrying amount of non-controlling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries. When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.



## Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

In consolidated financial statements, acquisition of non-controlling interest is accounted as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Business Combination under common control are accounted under "the pooling of interest method" i.e. in accordance with Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

### 2.14 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (i) Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

#### (ii) Revenue Recognition

The Group applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. The Group exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

#### (iii) Fair value of financial assets and liabilities

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

### 2.15 Recent Accounting Pronouncements:

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

Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### 3 Property, plant and equipment

Particulars	Buildings	Furniture and fittings	Vehicles	Office equipment	Computers	E - Surveillance Equipments	Total	Capital work in progress	Grand total
<b>Gross carrying amount</b>									
<b>As at March 31, 2022</b>	<b>789.61</b>	<b>63.26</b>	<b>176.66</b>	<b>113.02</b>	<b>243.79</b>	-	<b>1,386.33</b>	-	<b>1,386.33</b>
Additions during the year	-	12.08	97.63	35.12	699.04	1,347.57	2,191.45	804.32	2,995.77
Disposals/adjustments	-	(3.58)	(0.34)	(0.31)	(2.57)	(32.27)	(39.07)	(655.43)	(694.50)
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	181.84	-	38.36	180.63	9,465.60	9,866.43	-	9,866.43
<b>As at March 31, 2023</b>	<b>789.61</b>	<b>253.60</b>	<b>273.96</b>	<b>186.19</b>	<b>1,120.89</b>	<b>10,780.90</b>	<b>13,405.13</b>	<b>148.89</b>	<b>13,554.02</b>
Additions during the year	-	326.71	173.41	79.60	101.46	4,284.00	4,965.17	4,759.53	9,724.70
Disposals/adjustments	-	-	-46.59	-	-	-	(46.59)	(4,329.63)	(4,376.22)
Others	-	(1.62)	(1.24)	(0.29)	(2.62)	-	(5.77)	-	(5.77)
<b>As at March 31, 2024</b>	<b>789.61</b>	<b>578.69</b>	<b>399.52</b>	<b>265.50</b>	<b>1,219.73</b>	<b>15,064.89</b>	<b>18,317.94</b>	<b>578.79</b>	<b>18,896.73</b>
<b>Accumulated depreciation</b>									
<b>As at March 31, 2022</b>	<b>19.69</b>	<b>42.38</b>	<b>73.34</b>	<b>13.10</b>	<b>131.76</b>	-	<b>280.27</b>	-	<b>280.27</b>
Depreciation charge for the year	12.50	7.08	19.78	27.36	89.32	1,476.58	1,632.62	-	1,632.62
Disposals/adjustments	-	13.47	-	5.11	-	-	18.58	-	18.58
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	99.12	-	19.53	128.25	3,894.43	4,141.34	-	4,141.34
<b>As at March 31, 2023</b>	<b>32.19</b>	<b>162.05</b>	<b>93.12</b>	<b>65.10</b>	<b>349.33</b>	<b>5,371.01</b>	<b>6,072.81</b>	-	<b>6,072.81</b>
Depreciation charge for the year	12.50	41.33	41.89	43.46	149.73	2,005.89	2,294.81	-	2,294.81
Disposals/adjustments	-	-	-29.87	-	-	-	(29.87)	-	(29.87)
<b>As at March 31, 2024</b>	<b>44.69</b>	<b>203.38</b>	<b>105.14</b>	<b>108.57</b>	<b>499.06</b>	<b>7,376.91</b>	<b>8,337.75</b>	-	<b>8,337.75</b>
Net Carrying amounts									
<b>As at March 31, 2023</b>	<b>757.41</b>	<b>91.55</b>	<b>180.83</b>	<b>121.08</b>	<b>771.56</b>	<b>5,409.88</b>	<b>7,332.32</b>	<b>148.89</b>	<b>7,481.21</b>
<b>As at March 31, 2024</b>	<b>744.91</b>	<b>375.31</b>	<b>294.39</b>	<b>156.94</b>	<b>720.67</b>	<b>7,687.98</b>	<b>9,980.20</b>	<b>578.79</b>	<b>10,558.98</b>

#### Notes:

- (a) Property, plant and equipment are hypothecated as security for borrowing by the group (Refer Note 12(A)(i) for details of security given).
- (b) Property, plant and equipment includes Building which has a carrying value of Rs. 744.91 Lakhs (31 March, 2023: Rs.757.41 Lakhs) that has been given on operating lease and earns monthly rentals. (Refer Note 19). Short term lease are cancellation at the option of either party. The title of this building is held in the name of Magellanic Cloud Limited of the group.
- (c) **Ageing of capital work-in-progress is as below:**

#### As at March 31, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	578.79	-	-	-	578.79
<b>Total</b>	<b>578.79</b>	-	-	-	<b>578.79</b>



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**As at March 31, 2023**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	148.89	-	-	-	148.89
<b>Total</b>	<b>148.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148.89</b>

(d) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

**4 Right of use assets and lease liabilities**

(i) **Right of use assets:** The Group's lease asset primarily consist of following:

(a) Lease contracts entered by the group pertain for building taken on lease to conduct its business in the ordinary course having lease terms between 36 to 60 months. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

These are short term leases and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(ii) **The following is carrying value of right of use assets and movement thereof:**

Particulars	Leasehold Building	Total
<b>As at March 31, 2022</b>	<b>946.82</b>	<b>946.82</b>
Additions during the year	2,715.81	2,715.81
Addition/ Deletion due to other reason (business acquisition/disposal etc)	70.87	70.87
Disposal/adjustment during the year	-	-
<b>As at March 31, 2023</b>	<b>3,733.50</b>	<b>3,733.50</b>
Additions during the year	1,676.49	1,676.49
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-
Disposal/adjustment during the year	(1,482.50)	(1,482.50)
FCTR Impact	5.21	5.21
<b>As at March 31, 2024</b>	<b>3,932.69</b>	<b>3,932.69</b>
<b>Accumulated depreciation</b>		
As at March 31, 2022	268.27	268.27
Depreciation for the year	490.01	490.01
Disposal during the year	18.47	18.47
<b>As at March 31, 2023</b>	<b>776.74</b>	<b>776.74</b>
Depreciation for the year	932.22	932.22
Disposal during the year	(113.27)	(113.27)
FCTR Impact	(1.95)	(1.95)
<b>As at March 31, 2024</b>	<b>1,593.73</b>	<b>1,593.73</b>
Carrying amounts (net)		
<b>As at March 31, 2023</b>	<b>2,956.76</b>	<b>2,956.76</b>
<b>As at March 31, 2024</b>	<b>2,338.96</b>	<b>2,338.96</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(iii) The movement in lease liabilities is as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	2,869.55	946.82
Addition during the year	1,661.41	2,715.81
Deletion during the year	(1,388.94)	-
Lease modification impact, if any	-	-
Finance cost accrued during the year	280.98	116.48
Payment of lease liabilities	(1,055.36)	(909.57)
<b>Balance at the end</b>	<b>2,367.64</b>	<b>2,869.55</b>
Current maturities of lease liabilities	451.07	410.85
Non-current lease liabilities	1,916.58	2,458.70

**(iv) Amount recognised in the statement of Profit and loss during the year:**

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation charge of right of use assets	932.22	490.01
Finance cost incurred during the year	281.12	116.48
<b>Total</b>	<b>1,213.34</b>	<b>606.49</b>

**(v) The Group does not face significant liquidity risk with regard to its lease liabilities as the current cash flow are sufficient to meet the obligation related to lease liabilities as and when they fall due.**

**(vi) Non-cash investing activities during the year**

Particulars	As at March 31, 2024	As at March 31, 2023
Acquisition of right of use assets	1,676.49	2,715.81
Disposal of right of use assets	(1,482.50)	(18.47)



**5 Goodwill and Other Intangible assets**

Particulars	Computer Software	Total intangible assets	Intangible assets under development	Total intangible assets (incl. under development)
<b>Gross carrying amount</b>				
<b>As at March 31, 2022</b>	<b>823.88</b>	<b>823.88</b>	-	<b>823.88</b>
Adjustment for Opening restatement				
Additions during the year	2.73	2.73	-	2.73
Exchange difference on Translation of foreign transactions	1,765.06	1,765.06	-	1,765.06
Disposals/adjustments	(7.83)	(7.83)	-	(7.83)
Addition due to other reason (business acquisition/disposal etc)	18,056.37	18,056.37	-	18,056.37
<b>As at March 31, 2023</b>	<b>20,640.21</b>	<b>20,640.21</b>	-	<b>20,640.21</b>
Additions during the year	844.26	844.26	1,638.07	2,482.34
Changes in fair value	184.66	184.66	-	184.66
Disposals/adjustments	-	-	-	-
<b>As at March 31, 2024</b>	<b>21,669.14</b>	<b>21,669.14</b>	<b>1,638.07</b>	<b>23,307.21</b>
Accumulated amortisation				
As at March 31, 2022	54.80	54.80	-	54.80
Amortisation for the year	25.23	25.23	-	25.23
Disposals/adjustments	(7.83)	(7.83)	-	(7.83)
<b>As at March 31, 2023</b>	<b>72.20</b>	<b>72.20</b>	-	<b>72.20</b>
Amortisation for the year charged off to Profit & loss A/c	724.09	724.09	-	724.09
Amortisation for the year adjusted from the reserves*	180.56	180.56	-	180.56
Disposals/adjustments	-	-	-	-
<b>As at March 31, 2024</b>	<b>976.86</b>	<b>976.86</b>	-	<b>976.86</b>
<b>As at March 31, 2023</b>	<b>20,568.01</b>	<b>20,568.01</b>	-	<b>20,568.01</b>
<b>As at March 31, 2024</b>	<b>20,692.28</b>	<b>20,692.28</b>	<b>1,638.07</b>	<b>22,330.35</b>

**Notes:**
**(i) Impairment testing of goodwill and intangible assets**

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider economic uncertainties, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Goodwill consists of the following:**

Particulars	As at March 31, 2024	As at March 31, 2023
Acquisition of right of use assets	11,026.80	12,052.78

\* The amount of amortization is Rs. 904.66 lakhs out of which Rs. 180.56 lakhs has been adjusted from the opening reserves and the amount not being material, it is not shown as a prior period error.

**(ii) Valuation Technique and significant unobservable inputs**

The following table shows the valuation technique used in revaluation of intangible assets, as well as the significant unobservable inputs used:

Valuation Technique	Significant unobservable inputs	Inter-relationship between key observable inputs and fair value measurement
<p>1. Relief from Royalty Method: A method in which the value of the asset is estimated based on the present value of royalty payments saved by owning the asset instead of taking it on lease.</p> <p>2. Greenfield Method: The method assumes that the intangible asset to be valued is the only asset to be valued is the only asset with all other tangible or intangible assets being created, leased or acquired. The Contributory asset charge generally deducted from the cash flows.</p>	<p>1. Expected market growth rate (FY 2025: 44.30%, FY 2026: 35%, FY 2027: 20%, FY-2028: 15%)</p> <p>2. Terminal Growth rate: 1.5%</p> <p>3. Projected period covered from FY 2025 to 2028</p> <p>4. Discount Rate i.e. Cost of equity as per CAPM is 20.49%</p> <p>5. Threshold Royalty rate and corresponding charge for the use of the category of Intellectual property is 10%</p>	<p>The Estimated fair value would increase (decrease) if:</p> <p>1. Expected market growth rate were higher (lower)</p> <p>2. Projected periods were longer (shorter)</p> <p>3. There is (increase) decrease in Discount rate</p> <p>4. The Royalty rate were (lower) higher</p>

**6 Financial Assets**

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(A) Trade receivables</b>				
<b>Trade receivables from contract with customers - considered good</b>	-	-	23,580.36	6,864.75
	-	-	<b>23,580.36</b>	<b>6,864.75</b>
less: Impairment allowance for trade receivable - credit impaired	-	-	(74.30)	(59.76)
<b>Total</b>	-	-	<b>23,506.06</b>	<b>6,804.99</b>





**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Notes:**

**(a) Trade receivables Ageing Schedule**

**As at March 31, 2024**

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	3,909.87	13,979.57	3,095.64	2,401.28	125.27	68.73	23,580.36
<b>Total</b>	<b>3,909.87</b>	<b>13,979.57</b>	<b>3,095.64</b>	<b>2,401.28</b>	<b>125.27</b>	<b>68.73</b>	<b>23,580.36</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	(43.97)	(13.87)	(16.46)	(74.30)
<b>Net Trade receivables</b>	<b>3,909.87</b>	<b>13,979.57</b>	<b>3,095.64</b>	<b>2,357.31</b>	<b>111.40</b>	<b>52.27</b>	<b>23,506.06</b>

**As at March 31, 2023**

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2,968.43	3,557.84	72.52	179.12	29.57	47.54	6,855.02
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	9.74	-	-	-	9.74
<b>Total</b>	<b>2,968.43</b>	<b>3,557.84</b>	<b>82.26</b>	<b>179.12</b>	<b>29.57</b>	<b>47.54</b>	<b>6,864.75</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	(31.52)	(18.49)	(9.75)	(59.76)
<b>Net Trade receivables</b>	<b>2,968.43</b>	<b>3,557.84</b>	<b>82.26</b>	<b>147.60</b>	<b>11.08</b>	<b>37.79</b>	<b>6,804.99</b>

(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at beginning of the year</b>	<b>59.76</b>	-
Addition during the year	51.73	59.76
Utilisation of provision during the year	(2.99)	-
<b>Balance as at the end of the year</b>	<b>74.30</b>	<b>59.76</b>

(c) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(B) Cash and cash equivalents</b>				
Balances with banks				
In current accounts			1,078.05	5,029.17
Cash on hand	-	-	0.89	13.15
	-	-	<b>1,078.94</b>	<b>5,042.32</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Notes:**

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(C) Other Bank balances</b>				
Deposits with original maturity of more than twelve months {refer note (a)}			578.84	3 41.84
Unpaid dividend accounts {refer note (b)}	-	-	10.71	1 6.78
	-	-	<b>589.55</b>	<b>3 58.62</b>

**Notes:**

- (a) The deposits maintained by the Group with banks comprise of the time deposits, which may be withdrawn by the Group at any point of time without prior notice and are made of varying periods between 3 months to 12 months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.
- (b) Any dividend amount routed to the Unpaid Dividend Account which remains unclaimed or unpaid for seven years from the date of such transfer shall be channelized by the company along with interest accrued, if any, thereon to the fund set up under subsection (1) of section 125.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(D) Other financial assets (Unsecured, considered good unless otherwise stated) Financial assets measured at amortised cost</b>				
Security deposits	521.44	235.75	-	91.85
Intercorporate deposits {Refer note (i) below}	-	-	-	322.39
Interest accrued on bank deposits	-	1.54	6.84	0.97
Rental Deposits	67.37	-	20.79	-
Loan to employees	-	39.30	417.08	472.53
Retention money receivable	-	211.87	24.84	-
Receivable from slump sale of serial enterprise	-	-	31.49	-
Unbilled Revenue	-	-	235.65	630.53
Others	-	-	461.19	1,933.37
	<b>588.81</b>	<b>488.46</b>	<b>1,197.88</b>	<b>3,451.64</b>



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**7 Inventories (Valued at lower of cost and net realisable value unless otherwise stated)**

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Raw material and components	-	-	1,152.21	957.42
Finished goods	-	-	29.03	940.54
	-	-	<b>1,181.24</b>	<b>1,897.96</b>

**Notes:**

- (a) Inventory is pledged as security for borrowing by the Group. {Refer note 12(A)}
- (b) Inventories recognised as expense during the year ended March 31, 2024 - Rs.2,825.11 lakhs (March 31, 2023 - Rs.1,015.18 lakhs) and included in cost of raw materials and components consumed.

**8 Other assets (Unsecured considered good, unless otherwise stated)**

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Advance other than capital advance</b>				
Advance for material and supplies considered good	-	-	842.24	109.92
Employee advances	-	-	-	18.93
Prepaid expenses	-	-	3,178.14	3,710.12
Balances with government authorities considered good	-	-	913.55	1,887.41
Advance to Vendors	-	-	98.12	4,106.12
Security Deposit	-	-	128.70	-
Others	-	45.00	46.21	511.65
	-	<b>45.00</b>	<b>5,206.97</b>	<b>10,344.15</b>

**9 Non-current tax assets**

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Income Tax assets</b>	58.79	464.08	284.17	-
	<b>58.79</b>	<b>464.08</b>	<b>284.17</b>	-

Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

## 10 Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
<b>(i) Authorised Share Capital</b>				
17,50,00,000 Equity shares of Rs. 10 each	17,50,00,000.00	17,500.00	17,50,00,000.00	17,500.00
	<b>17,50,00,000.00</b>	<b>17,500.00</b>	<b>17,50,00,000.00</b>	<b>17,500.00</b>
<b>(ii) Issued, subscribed and fully paid up</b>				
Equity share capital				
Equity shares of ₹ 10/- each with voting rights	11,68,79,024.00	11,687.90	11,68,79,024.00	11,687.90
	<b>11,68,79,024.00</b>	<b>11,687.90</b>	<b>11,68,79,024.00</b>	<b>11,687.90</b>
<b>(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>				
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the year	11,68,79,024.00	11,687.90	2,51,66,940.00	2,516.69
Add: Issue of equity shares under preferential allotment	-	-	40,52,816.00	405.28
Add: Issue of bonus shares	-	-	8,76,59,268.00	8,765.93
<b>Balance at the end of the year</b>	<b>11,68,79,024.00</b>	<b>11,687.90</b>	<b>11,68,79,024.00</b>	<b>11,687.90</b>

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
<b>(iv) Details of shareholders holding more than 5% shares in the Group:</b>				
Equity shares of ₹ 10/- each with voting rights				
Joseph Sudheer Reddy Thumma	4,63,08,224	39.62%	4,63,08,224	39.62%
Jagan Mohan Reddy Thumma	94,00,000	8.04%	94,00,000	8.04%
Dennis Reddy Thumma	68,28,348	5.84%	68,28,348	5.84%
Innamma Reddy Thumma	55,18,596	4.72%	55,18,596	4.72%

### (v) Terms/rights attached to equity shares

The Group has only one class of issued equity shares capital having par value of ₹ 10 per share as on 31 March 2024. Each shareholder is entitled to one vote per share held. The Group declares interim dividend of Rs. 0.15 per share and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential assets, in proportion to their shareholding.

### (vi) Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares allotted as fully paid up by way of bonus shares by capitalization of securities premium	-	<b>8,765.93</b>



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(vii) Dividend paid**

Particulars	As at March 31, 2024	As at March 31, 2023
Dividend declared and paid during the year		
Interim dividend of ₹ 0.55 per share	-	140.43
Interim dividend of ₹ 0.15 per share	175.32	-
	<b>175.32</b>	<b>140.43</b>

**11 (A) Other equity:**

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	4,147.39	4,147.39
General Reserve	315.23	315.23
Statutory Reserves	123.89	123.89
Foreign currency translation reserve	1,009.38	760.61
Retained earnings	23,372.97	12,650.54
<b>Total other equity</b>	<b>28,968.86</b>	<b>17,997.66</b>
<b>(i) Securities premium</b>		
Opening balance	4,147.39	386.64
Movement during the year	-	3,760.75
<b>Closing balance</b>	<b>4,147.39</b>	<b>4,147.39</b>
<b>(ii) General Reserve</b>		
Opening balance	315.23	315.23
Movement during the year	-	-
<b>Closing balance</b>	<b>315.23</b>	<b>315.23</b>
<b>(iii) Statutory Reserves</b>		
Opening balance	123.89	123.89
Purchase of non controlling interest	-	-
<b>Closing balance</b>	<b>123.89</b>	<b>123.89</b>
<b>(iv) Foreign currency translation reserve</b>		
Opening balance	760.61	305.92
Movement during the year adjusted through Profit & loss	109.92	673.71
Movement during the year adjusted through opening retained earnings	138.85	(219.02)
<b>Closing balance</b>	<b>1,009.38</b>	<b>760.61</b>
<b>(v) Retained earnings</b>		
Opening balance	12,650.54	4,070.27
Net profit for the year	10,281.37	7,388.21
Other comprehensive income / (loss) for the year	616.37	1,332.48
Dividend paid	(175.32)	(140.43)
<b>Closing balance</b>	<b>23,372.97</b>	<b>12,650.54</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### Nature and purpose of other reserves

#### (i) Securities premium

The amount received in excess of face value of the equity shares is recognized in Securities Premium. The account is utilized in accordance with the provisions of the Company's Act, 2013.

#### (ii) General Reserve

Under the erstwhile Companies Act, 1956, general reserves were created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.

#### (iii) Statutory Reserves

Under the erstwhile Companies Act, 1956, general reserves were created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.

#### (iv) Foreign Currency Translation Reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

#### (v) Retained earnings

Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilised or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

## 12 Financial liabilities

Particulars	Long term borrowing		Short term borrowing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(a) Term loans</b>				
Term loans from bank (secured) {refer note (i) below}	18,093.44	14,532.54	2,951.27	3,170.43
Loans from director	-	-	-	612.40
Cash Credit Limit	-	-	1,986.94	-
Line of credit	-	-	1,980.61	-
Term loans from others (unsecured)	-	88.50	504.88	299.60
	<b>18,093.44</b>	<b>14,621.04</b>	<b>7,423.69</b>	<b>4,082.43</b>

### Notes:

- (i) The Group has obtained term loans for the purpose of Vehicle purchase, Property purchase and WC Term loan from various banks.

Vehicle loan is repayable in 37 to 60 equal monthly installments and carries interest rate ranging from 7.99% p.a. to 13% p.a. and maturity between December 2023 till October 2027. The loan is secured against vehicles purchased.

Property loan is repayable in 156 equal monthly installment carrying interest rate 9.8% p.a. and will be maturing in September 2033. The Property is mortgaged to the banks till the time loan is repaid.

Working Capital loan is repayable in equal monthly installment between August 2023 to June 2029 and carries interest rate 7.50 % p.a. to 16.25% p.a. The loan is secured against Personal guarantee of Directors, commercial property and vacant land which are owned by the Directors.



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

For Ivis International Private Limited, the current assets & Property, Plant and Equipment are hypothecated against the loans taken from Banks

For Provigil Surveillance Limited, new loans have been availed from the bank carrying the interest rate of 9.5%-9.65% payable in 60 equal monthly installments.

- (ii) The details on information required to be submitted by the Group for borrowings taken is provided to the extent such information is made available by the subsidiaries.

Quarter ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Differences	Reason for material discrepancies
<b>Inventory</b>				
Jun 2023	1,557.58	1,544.75	12.83	Information is generally submitted at the start of the month before the books are finalised therefore the information submitted to banks may not contain the closure entries
Sep 2023	1,150.71	1,134.44	16.28	
Dec 2023	1,363.62	1,358.48	5.14	
Mar 2024	1,181.24	1,148.18	33.05	
<b>Trade Payables</b>				
Jun 2023	493.05	1,343.14	-850.09	
Sep 2023	1,431.00	1,424.31	6.68	
Dec 2023	809.19	787.80	21.39	
Mar 2024	857.07	864.04	-6.98	
<b>Trade Receivables</b>				
Jun 2023	4,969.68	4,763.10	206.58	
Sep 2023	6,539.48	5,694.36	845.12	
Dec 2023	5,570.90	6,611.82	-1,040.93	
Mar 2024	3,785.19	3,981.25	-196.06	

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(B) Lease liabilities</b>				
Lease liabilities (refer note 4)	1,916.58	2,458.70	451.07	410.85
	<b>1,916.58</b>	<b>2,458.70</b>	<b>451.07</b>	<b>410.85</b>
<b>(C) Trade payables</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	522.66	2,918.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,292.61	1,207.00
	-	-	<b>3,815.27</b>	<b>4,125.17</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Note for Accrued Interest Reclassification**

**Notes:**

**(i) Trade payables Ageing Schedule**

**As at March 31, 2024**

Particulars	Not due	Outstanding for following periods from the due date				Total
		less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	522.66	-	-	-	522.66
Undisputed dues of creditors other than micro enterprises and small enterprises	585.44	2,552.77	143.92	10.34	0.13	3,292.61
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>585.44</b>	<b>3,075.43</b>	<b>143.92</b>	<b>10.34</b>	<b>0.13</b>	<b>3,815.27</b>

**As at March 31, 2023**

Particulars	Total	Outstanding for following periods from the due date				Total
		less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	2,919.47	4.58	-	0.75	2,924.80
Undisputed dues of creditors other than micro enterprises and small enterprises	302.12	863.36	27.30	5.41	2.18	1,200.37
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>302.12</b>	<b>3,782.83</b>	<b>31.88</b>	<b>5.41</b>	<b>2.93</b>	<b>4,125.17</b>

(ii) The trade payables are unsecured and non interest bearing and are usually on varying trade term.

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>(D) Other financial liabilities</b>				
<b>Financial liabilities measured at amortised cost</b>				
Dividend payable	-	-	10.11	16.18
Payable for purchase consideration	-	-	1,843.95	7,647.30
Advance received from customers	-	-	-	4.14
Accrued expenses	-	-	189.76	598.46
Payable to employees	-	-	1,445.21	1,441.72
Provision for statutory bonus	-	-	83.43	37.05
Others	-	-	218.90	-
	-	-	<b>3,791.36</b>	<b>9,744.84</b>





**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### 13 Provisions

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer note 29)	188.84	186.67	15.56	24.19
<b>Others</b>				
Provision for client deduction (Refer note (i) below)	-	-	-	63.89
	<b>188.84</b>	<b>186.67</b>	<b>15.56</b>	<b>88.09</b>

#### Notes

- (i) The Group has made provision for client deduction based on the estimate of expected recovery of dues in accordance with the service level agreement. These provisions are based on management's best estimate and based on past experience. The assumptions made in relation to the current year are consistent with those in the prior year. The table below gives information about movement in provisions for client deduction.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at beginning of the year</b>		
Add: Provision made during the year	63.89	63.89
Less: Utilized during the year	(63.89)	-
<b>Balance as at the end of the year</b>	-	<b>63.89</b>
Non-current portion	-	-
Current portion	-	63.89

### 14 Income tax and deferred tax

Particulars	As at March 31, 2024	As at March 31, 2023
The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:		
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	3,481.83	1,912.83
Adjustment in respect of current income tax of previous year	54.14	0.69
<b>Total current income tax</b>	<b>3,535.97</b>	<b>1,913.52</b>
<b>Deferred Tax charge / (credit)</b>		
Relating to origination and reversal of temporary differences	223.88	54.25
<b>Income tax expense reported in the statement of profit or loss</b>	<b>3,759.85</b>	<b>1,967.76</b>
<b>(b) Other Comprehensive Income</b>		
Tax expense related to items recognised in Other comprehensive income during the year:		
Deferred tax on re-measurement loss on defined benefit plans (Net of deferred tax)	35.73	17.05

Notes forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax on revaluation of intangible asset (Net of deferred tax)	580.65	1,315.43
<b>Income tax related to items recognised in Other comprehensive income during the year</b>	<b>616.37</b>	<b>1,332.48</b>
<b>(c) Deferred tax liabilities /assets comprises :</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	997.14	988.68
Right of Use	499.59	100.83
On revaluation of assets	46.48	442.46
Others	44.67	5.87
<b>(A)</b>	<b>1,587.88</b>	<b>1,537.85</b>
<b>Deferred tax assets</b>		
Expenses allowable on payment basis	70.45	23.90
Other - Security deposits	17.56	4.89
Lease Liability	509.03	91.89
Provision for Gratuity	38.77	31.57
Unabsorbed depreciation and carried forwarded tax losses	-	78.65
Provision for Expected Credit Loss	10.09	10.58
Others	19.29	320.99
<b>(B)</b>	<b>665.19</b>	<b>562.47</b>
<b>Net Deferred tax liabilities (A)-(B)</b>	<b>922.69</b>	<b>975.38</b>
<b>(d) Balances of Deferred Tax Assets /Deferred Tax Liabilities are presented in Balance sheet as below:</b>		
Deferred tax assets	36.09	563.06
Deferred tax liabilities	958.78	1,538.44
<b>(e) Effective tax rate has been calculated on profit before tax.</b>		

## 15 Contract balances

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(A) Trade Receivables {refer note (a) below and note 6(A)}	-	-	23,506.06	6,804.99
(B) Unbilled Revenue{refer note (a) below and note 6(D)}	-	-	235.65	630.53
(C) Advance from customer {refer note (b)}	-	-	11.33	103.32

### Notes

- (a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional. Unbilled revenue represents for which services are provided but invoicing to be done as per milestones



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

- (b) The group has entered into the agreements with customers for sales of goods and services. The group has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the group has obligation to deliver the goods and perform specified services to a customer for which the group has received consideration.

#### 16 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advances from customers	-	-	11.33	103.32
Statutory dues payable	-	-	312.65	449.16
Other Current Liability	-	-	289.68	1,545.39
Employee retention credit	-	-	-	1,430.87
	-	-	<b>613.67</b>	<b>3,528.74</b>

#### 17 Current tax liability

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	2,022.43	2,026.42
	-	-	<b>2,022.43</b>	<b>2,026.42</b>

#### 18 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from contract with customers</b>		
Sale of products	230.55	1,178.29
Sale of services	55,355.10	40,385.76
Sale of FMCG goods	457.21	1,182.82
	<b>56,042.86</b>	<b>42,746.88</b>
<b>Total revenue from operations</b>	<b>56,042.86</b>	<b>42,746.88</b>
<b>Notes:</b>		
<b>(i) Timing of revenue recognition</b>		
Goods transferred at a point in time	687.76	2,361.12
Services transferred over the time	55,355.10	40,385.76
<b>Total revenue from contract with customers</b>	<b>56,042.86</b>	<b>42,746.88</b>
<b>Total revenue from operations</b>	<b>56,042.86</b>	<b>42,746.88</b>
<b>(ii) Revenue by location of customers</b>		
Within India	16,266.20	14,850.04
Outside India	39,776.65	27,896.84
	<b>56,042.86</b>	<b>42,746.88</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(iii) Unsatisfied performance obligations:**

Information about the group's performance obligations are summarised below:

**Sale of products and FMCG items:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

**Sale of services:** The performance obligation in respect of its services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer. Advances received for unsatisfied performance obligation is recognised as contract liability and disclosed as Advances from customers as at the year end.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2024 and March 31, 2023 and expected time to recognise the same as revenue is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within one year	11.33	103.32
More than one year	-	-
	<b>11.33</b>	<b>103.32</b>

**19 Other Income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest income on financial assets carried at amortised cost</b>		
Deposit with banks	26.30	22.56
Other Deposits	16.77	10.21
Interest on Intercompany Deposits	-	51.97
Rental income {Refer note 3}	69.50	82.09
<b>Other non-operating income</b>		
Dividend Income	-	0.05
Incentives received	1.07	71.45
Other income	1,488.47	1,671.71
Unrealised Foreign gain	40.86	-
Gain on sale of Serial Enterprise	12.90	-
Reversal of Expected credit loss	2.99	-
Write back	84.32	-
	<b>1,743.19</b>	<b>1,910.03</b>

**20 Purchases**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases of stock in Trade	369.82	-
	<b>369.82</b>	-



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### 21 Cost of raw materials and components consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases during the year	399.16	2,065.97
	<b>399.16</b>	<b>2,065.97</b>

### 22 Cost of Sales/ services

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of Sales/ services	7,671.42	2,440.61
	<b>7,671.42</b>	<b>2,440.61</b>

### 23 Change in inventories of finished goods

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Inventories at the end of the year:</b>		
Finished goods	1,188.41	1,110.27
	<b>1,188.41</b>	<b>1,110.27</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,240.42	159.70
	<b>1,240.42</b>	<b>159.70</b>
<b>Inventories acquired pursuant to business combination during the year</b>		
Finished goods	-	738.12
	-	738.12
<b>Net (increase) / decrease in inventories</b>	<b>52.01</b>	<b>(212.45)</b>

### 24 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	20,130.96	17,812.55
Contribution to provident and other funds	136.77	80.25
Gratuity Expense (Refer note 29)	49.84	56.48
Training expenses	1.28	-
Staff welfare expense	128.49	37.22
	<b>20,447.34</b>	<b>17,986.51</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### 25 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	1,784.46	1,061.10
Interest on TDS	0.09	1.04
Other finance charges including bank charges	43.72	29.08
Interest expense on lease liabilities	281.12	116.48
BG Commission	3.17	3.08
	<b>2,112.57</b>	<b>1,210.77</b>

### 26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (Refer note 3)	2,294.81	1,632.62
Amortisation on intangible assets (Refer note 5)	724.09	24.70
Depreciation on right-of-use assets (Refer note 4)	932.22	490.01
	<b>3,951.12</b>	<b>2,147.33</b>

### 27 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transportation Expense	93.81	105.37
AMC Expenses	19.31	10.76
Repairs and maintenance:	852.30	577.30
Office Expenses	728.22	793.56
Internet & Telephone	739.59	719.20
Insurance expense	386.85	288.78
Field Maintenance Expense	229.83	160.04
Travelling and conveyance expense	366.24	243.94
Installation Expenses	78.07	14.56
Audit Fees {refer note (i) below}	23.25	23.44
Legal and professional charges	2,293.16	3,078.23
Impairment allowance for trade receivable - credit impaired	14.54	59.76
Software Expenses	9.47	32.19
Printing and stationery expense	12.38	22.04
Beat Marshall Expenses	1,157.93	1,727.81
Rent Expenses	372.15	473.39
Advertisement and sales promotion expense	56.62	26.43
Bank Charges	9.85	13.60
Foreign Exchange fluctuations (net)	243.56	134.80
Brokerage and Commission	83.40	127.92
Interest on TDS/PF/ESIC/GST/PT	1.74	9.29
Research and development expenses	4.26	170.24
Client Deduction	9.85	63.89
Registration charges	14.75	12.42



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Contribution towards corporate social responsibility expense (CSR) {refer note (ii) below}	92.81	38.98
Rates & Taxes	18.60	112.80
Power & fuel	70.82	26.58
Labour & Contract Expense	67.79	15.76
Donations	-	5.61
Membership & Subscription	116.76	44.21
Royalty Expense	351.85	334.82
Computer Consumables	4.01	15.08
Balances written off	52.83	-
Security Services	33.80	-
Other operating expenses	116.92	157.32
	<b>8,727.31</b>	<b>9,640.11</b>

**Note:**

**(i) Details of payments to auditors**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>As auditor:</b>		
Audit fee (including Limited review fee)	18.00	18.00
Tax audit	4.00	4.00
<b>In other capacities:</b>		
Certification fee and others	1.00	1.25
Reimbursement of expenses	0.25	0.19
<b>Total</b>	<b>23.25</b>	<b>23.44</b>

**(ii) Contribution towards corporate social responsibility expense (CSR)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) amount required to be spent by the company during the year,	90.65	38.48
(b) amount of expenditure incurred,	92.81	19.06
(c) amount of previous year excess spent	-	19.92
(d) Amount spent during the year on:		
i) Construction/ acquisition of assets	-	-
ii) On purposes other than above	92.81	38.98
(e) Excess amount spent during the year	2.16	0.50

**28 Earnings per share (EPS)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year	10,297.74	7,398.51
Weighted average number of Equity Shares (in Nos.):		
- Basic	11,68,79,024	11,18,23,767
- Diluted	11,68,79,024	11,18,23,767
Basic earnings per share in rupees (Face value ₹10 per share) (In rupees)	8.81	6.62
Diluted earnings per share in rupees (Face value ₹10 per share) (In rupees)	8.81	6.62

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

## 29 Disclosure of Defined benefit plans and Defined contribution plan

### (A) Defined benefit plan

The Group operates following defined benefit obligations:

#### (a) Gratuity (defined benefit plan)

In accordance with the applicable laws, the group entities operate a gratuity plan covering qualifying employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

#### (i) Net defined benefit liability recognised in the balance sheet

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	204.39	210.86
Fair value of plan assets	-	-
<b>Net liability recognised in consolidated balance sheet</b>	<b>204.39</b>	<b>210.86</b>
Non-current portion term	188.84	186.67
Current portion	15.56	24.19

#### (ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Current service cost	36.49	43.67
Interest cost (net)	13.36	12.81
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>49.85</b>	<b>56.48</b>

#### (iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the year	210.86	178.31
Current service cost	36.49	43.67
Interest cost	13.36	12.81
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	6.32	-5.59





**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Actuarial changes arising from changes in experience adjustments	(41.91)	(17.19)
Benefits paid	(20.73)	(1.15)
<b>Closing defined benefit obligation</b>	<b>204.39</b>	<b>210.86</b>

**(iv) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):**

Particulars	Gratuity Benefits	
	As at March 31, 2024	As at March 31, 2023
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	6.32	(5.59)
Actuarial changes arising from changes in experience adjustments	(41.91)	(17.19)
<b>Recognised in other comprehensive income</b>	<b>(35.59)</b>	<b>(22.78)</b>

**(v) Principal actuarial used in recognition of Defined benefit obligation are as follows:**

Particulars	Gratuity Benefits	
	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.24% - 7.53%	7.41% - 7.53%
Future salary increase	5% - 8%	5% - 8%
Expected return on plan assets	N.A	N.A

**Mortality rate**

Particulars	Gratuity Benefits	
	Year ended March 31, 2024	Year ended March 31, 2023
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

**(vi) Quantitative sensitivity analysis for significant assumptions is as shown below:**

Particulars	Gratuity Benefits	
	Year ended March 31, 2024	Year ended March 31, 2023
1% increase in discount rate	210.37	105.56
1% decrease in discount rate	(203.68)	(135.79)
1% increase in salary escalation rate	218.45	147.02
1% decrease in salary escalation rate	(192.39)	(116.92)

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(vii) Maturity profile of defined benefit payments:**

Particulars	Gratuity Benefits	
	Year ended March 31, 2024	Year ended March 31, 2023
1st following year	15.83	24.70
2nd following year	8.44	10.52
3rd following year	9.00	11.30
4th following year	27.59	12.44
5th following year	11.68	30.01
Sum of years 6 to 10	52.12	63.83
Sum of years 11 and above	525.43	458.91

**(viii)** Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**(ix)** The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**(x)** The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

**(xi)** The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(xii)** The amount for Provision for Defined benefit obligation includes amount bifurcated in two ledgers:-

- Provision for Gratuity
- Trade payables

**(B) Defined contribution plan**

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident and other funds	136.77	80.25
<b>Total</b>	<b>136.77</b>	<b>80.25</b>

**30 Business Combinations and acquisition of non-controlling interest**

**Acquisition of subsidiaries**

**Ivis International Private Limited**

On 01 May 2022, the Group has acquired 100% stake in Ivis International Private Limited for consideration in cash aggregating to Rs. 301,96.96 lakhs. Ivis International Private Limited is into video surveillance and advance monitoring service industry. The purchase price has been allocated based on estimates made by the management resulting into goodwill on consolidation of Rs. 4,294.41 lakhs.



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### Provigil Surveillance Private Limited

On 09 November 2022, the Group has acquired 100% stake in Provigil Surveillance Private Limited for consideration in cash aggregating to Rs. 3,597 lakhs. Provigil Surveillance Private Limited is into video surveillance and advance monitoring service industry. The purchase price has been allocated based on estimates made by the management resulting into goodwill on consolidation of Rs. 1,063.01 lakhs.

### Scandron Private Limited

On 16 March, 2023, the Group has acquired 100% stake in Scandron Private Limited for consideration in cash aggregating to Rs. 20 lakhs. Scandron is into manufacturing of Logistic Drones. The purchase price has been allocated based on estimates made by the management resulting into goodwill on consolidation of Rs. 80.25 lakhs.

**Assets acquired and liabilities assumed:** The fair values of the identifiable assets and liabilities acquired in the business combination on the date of acquisition were as follows:

Particulars	Scandron Private Limited	IVIS International Private Limited	Provigil Surveillance Limited
Property, plant and equipment	4.53	7,837.99	501.43
Inventories	721.09	726.14	-
Trade receivables	5.23	2,880.07	3,192.26
Cash and bank balance	6.11	1,856.84	243.93
Others financial and non-financial assets	151.67	1,155.61	947.90
Non Current Liabilities	(612.40)	(5,008.93)	(435.49)
Trade payable and other current liabilities	(362.32)	(1,404.02)	(1,021.56)
Provisions	-	(197.32)	(894.49)
<b>Identifiable net assets acquired at fair value</b>	<b>(86.08)</b>	<b>7,846.38</b>	<b>2,533.99</b>
Non-controlling interest in the acquired entity	(25.82)	-	-
Identified intangible asset (software)	-	18,056.37	-
Fair value of consideration paid	20.00	30,196.96	3,597.00
Goodwill	80.25	4,294.21	1,063.01

### Notes:

- The consideration payable in respect of above transaction has been fully discharged in cash for Scandron Private Limited during the year.
- The consideration payable in respect of above transactions has been partially discharged in cash for IVIS International Private Limited and Provigil Surveillance Private Limited during the year and the remaining amount will be discharged in the next year. Same is disclosed as current liability in the consolidated financial statements.

### Impact of acquisitions on the results of the Group

Revenue and profit for the year included in the previous year due to the acquisition is as below.

Particulars	Scandron Private Limited	IVIS International Private Limited	Provigil Surveillance Limited
Revenue	-	7,172.85	4,329.42
Profit / (Loss) Before Tax	(39.30)	(892.83)	3,820.47
<b>Revenue and profit would had been higher by the below amount if the acquisition happened at the beginning of the year</b>			
Revenue	-	8,052.09	11,510.94
Profit / (Loss) Before Tax	(39.30)	(962.99)	4,428.20

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**Notes:**

- (a) The loss in Ivis International Private Limited at group level is after inter company elimination since substantial revenue is earned from Provigil Surveillance Limited

**31 Additional information required**

- (i) **Details of Benami property:** No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) **Wilful defaulter:** The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) **Compliance with approved scheme of arrangements:** The Company has entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (iv) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries the Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets), but the one of its subsidiaries has revalued its intangible assets from a registered valuer in the current and previous year.
- (vii) **Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(viii)	Particulars	As at March 31, 2024	As at March 31, 2023	Variance	% change
	<b>Current ratio (in times) (refer (a) below)</b>	1.82	1.16	0.66	56.81%
	Total current assets/Total current liabilities				
	<b>Debt-Equity ratio (in times)</b>	0.69	0.73	(0.04)	-5.64%
	(Debt consists of borrowings and lease liabilities)/(Total Equity)				
	<b>Return on equity ratio (in %)</b>	19%	22%	(0.04)	-16.04%
	(Profit for the year less Preference dividend (if any))/(Average total equity)				
	<b>Trade receivables turnover ratio (in times)</b>	2.08	4.81	(2.73)	-56.74%
	(Revenue from operations)/(Average trade receivables)				



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

(viii)	Particulars	As at March 31, 2024	As at March 31, 2023	Variance	% change
	<b>Net capital turnover ratio (in times)</b>	3.32	5.89	(2.57)	-43.56%
	(Revenue from operations)/(Average Working Capital)				
	<b>Net profit ratio (in %)</b>	18%	17%	0.01	5.97%
	(Profit for the year)/(Revenue from operations)				
	<b>Return on capital employed (in %)</b>	19%	19%	0.00	2.55%
	(Profit before tax and finance costs)/(Capital employed = Net worth + Lease liabilities + Deferred tax liabilities)				
	<b>Operating Profit Margin (in %)</b>	48%	47%	0.01	2.27%
	(Operating Profit)/(Revenue from operations)				
	<b>Interest Coverage Ratio (in times)</b>	7.65	8.75	(1.09)	-12.49%
	(EBIT)/(Finance Cost)				
	<b>Debt Service Coverage Ratio</b>	0.59	0.54	0.05	9.50%
	(Earning for Debt Service = EBIT + Depreciation)/(Debt service = Interest and lease payments + Principal repayments)				

**(a) Reasons for movement in ratios greater than 25%**

- (i) **Current ratio** : It has increased due to increase in current assets & the major reason for increase is debtors.
- (ii) **Trade receivables turnover ratio** : It has reduced due to non receipt of amount against sales from the customers.
- (iii) **Net capital turnover ratio** : Decrease due to lower operation performance during the year.

**32 Capital Commitments**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Contingent Liabilities</b>		
Service tax		
FY 2016-17	55.74	55.74
	<b>55.74</b>	<b>55.74</b>
<b>Goods &amp; Service Appeal</b>		
FY 2017-18	5.49	-
	<b>5.49</b>	-
<b>Income tax demands</b>		
Prior to FY 2020-21	2.45	16.24
FY 2021-22 to FY 2023-24	123.38	6.09
	<b>125.83</b>	<b>22.33</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

<b>Traces demands</b>		
Prior to FY 2020-21	3.38	3.38
FY 2020-21 to FY 2023-24	224.16	205.85
	<b>227.54</b>	<b>209.23</b>
<b>Total</b>	<b>414.60</b>	<b>287.30</b>
<b>b) Capital and other commitments</b>	228.90	-

### 33 Related Party Disclosures

The related parties as per identified by management.

#### (A) Names of related parties and description of relationship:

- (i) Key management personnel (KMP)

Entity Name	Relationship
Joseph Sudheer Reddy Thumma	Managing Director
Jagan Mohan Reddy Thumma	Managing Director
Sanjay Mahendra Chauhan	Chief Financial Officer
Sameer Rajkumar Lalwani	Company Secretary
Nikitha Tiparnapally	Director
Robert Alan Forbes Jr	Director
Carwin Heierman	Director
Elisha Thatisetty	Director

- (ii) Relatives of key management personnel

Entity Name	Relationship
Dennis Reddy Thumma	Relative of Director
Jayshree Chauhan	Relative of KMP
Mamta Chauhan	Relative of KMP

- (iii) Other entities over which key management personnel and their relatives are able to exercise significant influence

Entity Name	Relationship
RPR Wyatt (formerly JNITH Corporation)	Entities over which key KMP is able to exercise significant influence
JNIT Technologies India Pvt. Ltd.	Entities over which key KMP is able to exercise significant influence
Sygnatech Systems Inc	Entities over which key KMP is able to exercise significant influence
Hoozin Inc	Entities over which key KMP is able to exercise significant influence
Trutalent Inc. (formerly Aitech Corp)	Entities over which key KMP is able to exercise significant influence



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(B) Transactions with related parties**

**(i) Transactions with related parties for the year ended March 31, 2024**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Purchase Consideration</b>		
Jagan Mohan Reddy Thumma	-	17.14
	-	<b>17.14</b>
<b>Unsecured loan received</b>		
Jagan Mohan Reddy Thumma	-	612.40
Joseph Sudheer Reddy Thumma	40.00	-
	<b>40.00</b>	<b>612.40</b>
<b>Loan Given</b>		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	125.15	-
JNIT Technologies Private Limited	87.53	-
	<b>212.68</b>	-
<b>Loan Repaid</b>		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	119.35	-
Jagan Mohan Reddy Thumma	483.00	-
	<b>119.35</b>	-
<b>Rental Deposit Paid</b>		
Joseph Sudheer Reddy Thumma	-	80.00
	-	<b>80.00</b>
<b>Rent &amp; reimbursement expenses</b>		
Joseph Sudheer Reddy Thumma	581.93	897.60
Sanjay Mahendra Chauhan	3.12	9.21
Jayshree Chauhan	3.74	11.05
	<b>588.79</b>	<b>917.85</b>
<b>Consultancy Charges</b>		
JNIT Technologies India Pvt. Limited	108.37	120.58
	<b>108.37</b>	<b>120.58</b>
<b>Remuneration Paid</b>		
Joseph Sudheer Reddy Thumma	-	0.28
Jagan Mohan Reddy Thumma	-	4.80
Sameer Rajkumar Lalwani ( Company Secretary)	9.67	8.50
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	28.50	24.00
Jayshree Chauhan (Relative of KMP)	12.00	12.00
Mamta Chauhan (Relative of KMP)	-	5.00
Varsha Chauhan (Relative of KMP)	12.00	-
	<b>62.17</b>	<b>54.58</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(C) Balances with related parties**

(i) Balances Outstanding as at March 31, 2024 and March 31, 2023

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Payables</b>		
Sygnotech Inc. (Jonam Systems Inc.)	2.60	95.63
	<b>2.60</b>	<b>95.63</b>
<b>Receivables</b>		
Trutalent Inc. (formerly Aitech Corp)	456.39	191.15
Hoozin Inc	66.69	65.81
RPR Wyatt (formerly JNITH Corporation)	20.50	21.72
Sygnotech Systems Inc	245.26	-
	<b>788.84</b>	<b>278.68</b>
<b>Loans</b>		
Jagan Mohan Reddy Thumma (Relative of Director)	129.40	612.40
Joseph Sudheer Reddy Thumma	40.00	-
	<b>169.40</b>	<b>612.40</b>

**34 Fair value measurements**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,786.69	1,786.69	3,940.10	3,940.10
Trade receivables (current and non current)	23,506.06	23,506.06	6,804.99	6,804.99
Cash and cash equivalents	1,078.94	1,078.94	5,042.32	5,042.32
Other bank balances (current and non current)	589.55	589.55	358.62	358.62
<b>Total</b>	<b>26,961.25</b>	<b>26,961.25</b>	<b>16,146.04</b>	<b>16,146.04</b>
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	25,517.13	25,517.13	18,703.47	18,703.47
Lease liabilities (current and non current)	2,367.64	2,367.64	2,869.55	2,869.55
Other financial liabilities (current and non current)	3,791.36	3,791.36	9,744.84	9,744.84
Trade payables (current and non current)	3,815.27	3,815.27	4,125.17	4,125.17
<b>Total</b>	<b>35,491.41</b>	<b>35,491.41</b>	<b>35,443.03</b>	<b>35,443.03</b>

Management of the Group has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.





**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**(i) Fair value hierarchy**

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognized and measured at Fair value

b) Measured at amortized cost and for which fair value is disclosed in financial statements

**Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2024**

Particulars	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,786.69	-	-	1,786.69
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	25,517.13	-	-	25,517.13
Lease liabilities (current and non current)	2,367.64	-	-	2,367.64
Other financial liabilities (current and non current)	3,791.36	-	-	3,791.36

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023**

Particulars	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	3,940.10	-	-	3,940.10
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	18,703.47	-	-	18,703.47
Lease liabilities (current and non current)	2,869.55	-	-	2,869.55
Other financial liabilities (current and non current)	9,744.84	-	-	9,744.84

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### 35 Financial risk management objectives and policies

In the course of its business, the Group is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Group's risk management policy which has been approved by its Board of Directors.

#### (a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans deposits, and investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity obligations and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2024 and March 31, 2023.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's major customers are located in international market due to which the Group is also exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the movement in foreign currency exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies approved by its Board of Directors.

At the Consolidated level the Group immaterial foreign currency exposure and therefore foreign currency sensitivity risk is not disclosed.

#### (ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. All the existing borrowings of the Group carry fixed rate of interest and in functional currency. At 31 March 2024, the Group has following variable rate borrowings:

Currency USD

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	25,517.13	18,703.47

#### (b) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

#### Maturity profile of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**As at March 31, 2024**

Particulars	Less than 1 Years	1-5 Years	More than 5 Years	Total
<b>As at March 31, 2024</b>				
Borrowings	7,423.69	17,542.44	551.00	25,517.13
Lease liabilities (undiscounted)	451.07	1,916.58	-	2,367.64
Trade payable	3,815.27	-	-	3,815.27
Other financial liabilities	3,791.36	-	-	3,791.36

Particulars	Less than 1 Years	1-5 Years	More than 5 Years	Total
<b>As at March 31, 2023</b>				
Borrowings	4,082.43	14,621.04	-	18,703.47
Lease liabilities (undiscounted)	410.85	2,458.70	-	2,869.55
Trade payable	4,125.17	-	-	4,125.17
Other financial liabilities	9,744.84	-	-	9,744.84

**(c) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

**(i) Trade Receivables**

The customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. Customer credit risk is managed by respective department head subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Group does not hold collateral as security. There is one single customer from whom the Group earns revenue of more than 10%, however, there is no credit default risk from this customer since the amount are generally received in advance. Refer note 6(B) for movement in credit loss allowance during the year.

**(ii) Financial instruments and deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 is the carrying amounts. The Group's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Other financial assets (current and non-current)	1,786.69	3,940.10
Cash and cash equivalents	1,078.94	5,042.32
Other bank balances (current and non current)	589.55	358.62
	<b>3,455.18</b>	<b>9,341.05</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables	23,506.06	6,804.99
	<b>23,506.06</b>	<b>6,804.99</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-

Particulars	As at March 31, 2024	As at March 31, 2023
Provision during the year	74.30	59.76
<b>As at the end of year</b>	<b>74.30</b>	<b>59.76</b>

### 36 Capital management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the parent Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

#### Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loan and borrowing *	25,517.13	18,703.47
Less : Cash and cash equivalent	(1,078.94)	(5,042.32)
<b>Net debts</b>	<b>24,438.19</b>	<b>13,661.15</b>
Equity / Net Worth	40,656.75	29,685.56
<b>Total Capital</b>	<b>40,656.75</b>	<b>29,685.56</b>
<b>Capital and Net debts</b>	<b>65,094.94</b>	<b>43,346.71</b>
Gearing Ratio (Net Debt/Capital and Net Debt)	<b>37.54%</b>	<b>31.52%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

\* Borrowings does not includes Lease liabilities



**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

### 37 Group information

The consolidated financial statements of the group includes following subsidiaries-

Details of subsidiary companies are as follows:

Particulars	Country of Incorporation	Ownership interest held by Group		Non Controlling Interest	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Subsidiaries</b>					
JNIT Inc	USA	100.00%	100.00%	-	-
Motivity Inc, - Subsidiary of JNIT Inc	USA	100.00%	100.00%	-	-
Motivity Labs India Private Limited	India	100.00%	100.00%	-	-
Ivis International Private Limited\$	India	100.00%	100.00%	-	-
Provigil Surveillance Private Limited@	India	100.00%	100.00%	-	-
Scan Dron Private Limited#	India	70.00%	70.00%	30.00%	30.00%
Serial Enterprise Private Limited*	India	0%	100.00%	-	-

\$ date of acquisition- 01 May 2022

@ date of acquisition - 09 November 2022

# date of acquisition - 16 March 2023

\*The Company has disposed off its entire holding in one of the subsidiary Serial Enterprise Private Limited for a consideration of Rs 121.49 lakhs on November 15, 2023. Loss on sale of the investment amounting to Rs 15.06 lakhs is recognised in the Profit and Loss Account for the quarter and nine months ended December 31, 2023.

### 38 Statutory group information

For the year ended March 31, 2024

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of net assets	Amount	As % of profit or loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent Company</b>								
Magellanic Cloud Limited	47.90%	19,491.58	17.70%	1,822.72	4.87%	35.35	16.86%	1,858.07
<b>Subsidiary companies</b>								
<b>Indian subsidiary companies</b>								
Ivis International Private Limited	34.04%	13,850.68	22.85%	2,352.18	79.20%	575.19	26.56%	2,927.37
Provigil Surveillance Private Limited	9.02%	3,668.89	7.10%	730.70	-0.45%	(3.27)	6.60%	727.43
Scan Dron Private Limited	0.20%	81.27	0.46%	46.92	0.00%	-	0.43%	46.92
Serial Enterprise Private Limited	0.27%	108.59	-0.67%	(69.38)	0.00%	-	-0.63%	(69.38)
<b>Foreign subsidiary companies</b>								
JNIT Inc (Consolidated)	39.67%	16,143.35	61.87%	6,369.63	16.39%	119.01	58.87%	6,488.64
<b>Non-controlling interest in subsidiary</b>								
Scan Dron Private Limited	0.09%	36.16	0.14%	14.08	0.00%	-	0.13%	14.08
<b>Consolidated adjustments and Intercompany eliminations</b>								
	-31.18%	(12,687.61)	-9.44%	(971.39)	0.00%	-	-8.81%	(971.39)
<b>TOTAL</b>	<b>100.00%</b>	<b>40,692.92</b>	<b>100.00%</b>	<b>10,295.45</b>	<b>100.00%</b>	<b>726.29</b>	<b>100.00%</b>	<b>11,021.74</b>

**Notes** forming part of the consolidated financial statements for the year ended 31st March, 2024

(₹ in Lakhs)

**For the year ended March 31, 2023**

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of net assets	Amount	As % of profit or loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent Company</b>								
Magellanic Cloud Limited	59.95%	17,808.83	14.33%	1,061.80	0.36%	7.14	11.35%	1,068.94
<b>Subsidiary companies</b>								
Indian subsidiary companies								
Ivis International Private Limited	36.77%	10,923.31	27.55%	2,041.34	66.04%	1,324.98	35.75%	3,366.32
Provigil Surveillance Private Limited	9.90%	2,941.47	5.49%	407.11	0.00%	-	4.32%	407.11
Scan Dron Private Limited	-1.27%	(378.05)	-0.53%	(39.30)	0.00%	-	-0.42%	(39.30)
Serial Enterprise Private Limited	0.44%	129.37	3.27%	242.37	0.00%	-	2.57%	242.37
<b>Foreign subsidiary companies</b>								
JNIT Inc (Consolidated)	32.70%	9,714.13	53.87%	3,992.14	33.58%	673.71	49.55%	4,665.85
<b>Non-controlling interest in subsidiary</b>								
Scan Dron Private Limited	0.07%	22.09	-0.16%	(11.79)	0.00%	-	-0.13%	(11.79)
Consolidated adjustments and Intercompany eliminations	-38.55%	(11,453.49)	-3.82%	(283.37)	0.02%	0.36	-3.01%	(283.01)
<b>TOTAL</b>	<b>100.00%</b>	<b>29,707.65</b>	<b>100.00%</b>	<b>7,410.30</b>	<b>100.00%</b>	<b>2,006.19</b>	<b>100.00%</b>	<b>9,416.49</b>

**The accompanying notes form an integral part of the consolidated financial statements**

As per our report of even date attached  
For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Registration No: 101474W/W100100

**Atul Gala**  
Partner  
Membership No. 048650

Place : Mumbai  
Date : May 08, 2024

For and on behalf of the Board of Directors of  
**Magellanic Cloud Limited**  
CIN : L72100TG1981PLC169991

**Joseph Sudheer Reddy Thumma**  
Managing Director  
DIN No. 07033919

**Sanjay Chauhan**  
Chief Financial Officer  
PAN: AFLPC7749G

Place : Hyderabad  
Date : May 08, 2024

**Nikita Tiparnapally**  
Independent Director  
DIN No. 07399613

**Sameer Lalwani**  
Company Secretary  
PAN: AIDPL4094N







## **Magellanic Cloud Limited**

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Rai Durg, Hyderabad - 500032, Telangana