

# MAGELLANIC CLOUD LIMITED

(Formally known as South India Projects Limited)

**CIN L72100WB1981PLC034342**

Corp. Off.: Mahaveer Techno Park, Plot No.6, Survey No .64, Software Units Layout,  
5th Floor, Inorbit Mall Road, Hi-Tech City, Madhapur, Hyderabad, Telangana - 500081, India.  
Ph.: 040-43366058, E-mail: southindiaprojectslimited@gmail.com, Website: www.southindiaprojectslimited.in

Date: 27<sup>th</sup> August, 2019

To,  
**Bombay Stock Exchange Limited,**  
Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-40001

Sub: Submission of Annual Report for the year ended 31<sup>st</sup> March, 2019, in terms of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Code: MCLLOUD

Scrip ID : 538891

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the year ended March 31, 2019.

You are requested to take the same on your record and acknowledge the receipt of the same.

Thanking You,

Yours Faithfully,

For Magellanic Cloud Limited  
(Formerly known as South India Projects Limited),

  
Jagan Mohan Reddy Thumma  
Managing Director  
DIN: 06554945



# **Magellanic Cloud Limited**

*(Formerly known as South India Projects Limited)*

38<sup>th</sup>  
ANNUAL REPORT  
2018-19

**GENERAL INFORMATION****Board of Directors:**

Jagan Mohan Reddy Thumma,	Managing Director
Joseph Sudheer Reddy Thumma,	Managing Director designated as Global CEO
Miss. Nikitha Tiparnapally	Independent Director
Surya Narayan Tripathy	Independent Director (Resigned w.e.f. 14th Feb., 2019)
Mr. Carwin Heierman	Executive, Non-Independent Director (Appointed as on 28th May, 2019)
Mr. Robert Alan Forbes Jr.	Non-Executive, Independent Director (Appointed as on 28th May, 2019)

**Chief Financial Officer:**

Sanjay Mahendra Chauhan

**Company Secretary & Compliance Officer**

Mr. Sadhu J. Shetty (Appointed w.e.f. 1st September,

**Statutory Auditors:**

M/s. D. Kothary & Co  
Chartered Accountant  
75/76, 'C' Wing, 7th Floor, Mittal Court, Nariman Point, Mumbai -  
400021 Maharashtra, India.  
Tel.:+91-22- 6638 1155  
E-Mail: info@dkothary.com

**Bankers:**

ICICI Bank, Mumbai &amp; Hyderabad Branch

**Registered Office:**

14B, Ram Chandra, Moitra, Kolkata -700005, .  
West Bengal, India, Tel:- 040-40916571  
E-Mail:- compliance@magellanic-cloud.com  
Website: www.magellanic-cloud.com

**Registrar and Share Transfer Agent:**

M/s. Niche Technologies Pvt. Ltd  
3A Auckland Place, 7th Floor, Room No. 7A & 7B,  
Kolkata, West Bengal, 700017, India.  
Tel: 033 - 2280 6616/17/19  
Fax: - 033 - 2280 6619  
E-mail:- nichetechpl@nichetechpl.com

**NOTICE**

**NOTICE** is hereby given that the 38th Annual General Meeting of the Members of **Magellanic Cloud Limited (Formerly known as South India Projects Ltd)** will be held on Saturday, August 10, 2019 at 03:30 pm (IST) at 14B, Ram Chandra Moitra, Kolkata - 700005, West Bengal, India, to transact the following Businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Joseph Sudheer Reddy Thumma [DIN: 07033919], who retires by rotation, and being eligible, offers himself for re-appointment.
3. To ratify an appointment of M/s. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W), as statutory auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), pursuant to the recommendations of the audit committee and pursuant to the resolution passed by the members at the 36th Annual General Meeting held on September 29, 2017, the appointment of M/s. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W) as the statutory auditors of the Company to hold office till the conclusion of the 41st consecutive AGM to be held in the financial year 2021-22, is hereby ratified for the financial year 2019-20.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to fix such remuneration payable to them for the financial year 2019-20, as may be determined by the audit committee in consultation with the auditors and that such remuneration may be paid as may be agreed upon between the auditors and the Board of Directors.”

**SPECIAL BUSINESS:****4. Appointment of Mr. Robert Alan Forbes Jr. as an Independent Director:**

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

“**RESOLVED THAT** Mr. Robert Alan Forbes Jr. (DIN: 08459003), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 28, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and who is eligible for appointment be and is hereby appointed as Director of the Company.

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Robert Alan Forbes Jr, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years commencing from May 28, 2019 to May 27, 2024.”

**5. Appointment of Mr. Carwin Heierman as an Executive Director:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Carwin Heierman (DIN: 08458981), who was appointed as an Additional Director in the category of Executive Director on May 28, 2019 and in respect of whom the Company has received a recommendation from Nomination and Remuneration Committee proposing his candidature for the office of Executive Director, be and is hereby appointed as an Executive Director of the Company w.e.f. May 28, whose term is liable to retire by rotation at a remuneration and other terms set out below:

- I. Basic Salary – not exceeding Rs. 3,00,000/- per month, or such equivalent currency
- II. Other reimbursements/Perquisites
  - a) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company
  - b) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.
  - c) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.

**RESOLVED FURTHER THAT** any Director/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**6. Change of designation of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) from Non-Executive Director to Managing Director designated as Global CEO of the Company with effect from July 10, 2019:**

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

“RESOLVED THAT consent of the members of the Company be and is hereby accorded to change the designation of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) from Non-Executive Director to Managing Director designated as Global CEO of the Company pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) for the period July 10, 2019 to June 09, 2024 whose term is liable to retire by rotation at a remuneration and other terms set out below:

- III. Basic Salary – not exceeding Rs. 3,00,000/- per month, or such equivalent currency
- IV. Other reimbursements/Perquisites
  - a) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company
  - b) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company
  - c) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.

**RESOLVED FURTHER THAT** any Director/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms, if any to the Registrar of Companies and to do all

such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**7. Change in Registered office from one state to another:**

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 12, 13 and other applicable provisions. If any, of Companies Act, 2013 read with the Rule 30 of the Companies (Incorporation) Rules 2014 (including any statutory modification or amendment thereto or re-enactment thereof For the time being in force), subject to relevant provision of Articles of Association of the Company and further subject to the approval of Central Government and other authority(ies), if required, the consent of the Shareholders of the Company be and is hereby accorded for shifting of the Registered Office of Magellanic Cloud Ltd from its existing address at 14B, Ram Chandra Moitra, Kolkata - 700005, in the State of West Bengal to the State of Maharashtra and Clause II of the Memorandum of Association of the Company be deleted and in place thereof the following new Clause II be substituted:

II. The registered office of the Company will be situated in the state of Maharashtra

“**RESOLVED FURTHER THAT** the Directors/Company Secretary (if any) of the Company be and is hereby authorized to take all such steps as may be deemed expedient by him to give effect to the resolution for and on behalf of the Company and further to make an application(s)/ petition(s) for the shifting of Registered Office of the Company to the Central Government and other authority(ies) and to sign all necessary applications, documents, forms as may be necessary in this regard and to take necessary actions / steps to give effect of the above resolution, for and on behalf of the Company.”

**8. To consider Adoption of New Set of Articles of Association, in line with Companies Act, 2013;**

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

“**RESOLVED THAT** pursuant to provisions of Section 14 and all other applicable provisions, if any, of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force), subject approval of Ministry of Corporate affairs (power delegated to any of department(s)) and such other competent authority as may be required, the new set of Articles of Association as placed before the meeting and initialed by the Chairman for the purpose of identification, which is primarily based on the Form of Table F of Schedule I under the Act, be and is hereby approved and adopted, which is to be in conformity with the provisions of the Companies Act relating to a Public limited company, in the place of existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board and Key Managerial Personnel of the Company, jointly or severally, be and is / are hereby authorized to sign and execute such Forms, papers, documents, deeds and instrument and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient by him/them for the purpose of giving effect to this resolution.”

**By Order of the Board of Directors**

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

**Registered Office:**

14B, Ram Chandra, Moitra, Kolkata -700005,  
 West Bengal, India.

**Dated: July 10, 2019**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, August 05, 2019 to Saturday, August 10, 2019 (both days inclusive)**.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
6. For convenience of members, an attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
8. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 for items of Special Businesses is annexed herewith.
9. The Annual Report 2018-19, the Notice of the 38th Annual General Meeting and instructions for e-voting, along with the Attendance slip and Proxy form are being sent by electronic mode to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.
10. Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report 2018-19 will also made be available on the Company's website [www.southindiaprojectslimited.in](http://www.southindiaprojectslimited.in) for their download. The physical copies of the documents will also be available at the Company's Registered Office in Registered office / Corporate office for inspection during normal business hours on any working day. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for it, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: [southindiaprojectslimited@gmail.com](mailto:southindiaprojectslimited@gmail.com).

11. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, BOARD'S REPORT & AUDITOR'S REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members at the AGM.
13. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
15. Members are requested to bring their copies of the reports to Annual General Meeting.
16. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Registrar & Share Transfer Agent.
17. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the **cut off date i.e. Saturday, August 03, 2019.**
18. Members are requested to promptly notify any changes in their addresses to the Registrar & Share Transfer Agent.
19. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Amendment Rules, 2015 as presently in force and the business set out in the Notice will be transacted through such voting.
20. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
21. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

**NICHE TECHNOLOGIES PRIVATE LIMITED**

**Unit: Magellanic Cloud Limited**

**(Formerly known as South India Project Ltd.)**

Share Transfer Agent

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)

e-mail : [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)



**Instructions for Voting through electronics means:**

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 38th 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).

The Members may cast their votes through E-voting from a place other than the venue of the AGM (“Remote E-voting”).

The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.

The Remote E-voting facility will commence from 9.00 AM (IST) on Wednesday, August 07, 2019 and will end at 5.00 PM (IST) on Friday, August 09, 2019. 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.

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. Saturday, August 03, 2019.**

The Members whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. **Saturday, August 03, 2019**, only shall be entitled to vote on the Resolutions set out in this Notice.

The voting rights of the members shall be in proportion to their of paid-up equity share capital of the Company as on relevant date **Saturday, August 03, 2019.**

The Board of Directors at their meeting held on July 10, 2019 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.

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.

The results declared alongwith the Scrutinizer’s Report shall be placed on the website of the Company [www.southindiaprojectslimited.in](http://www.southindiaprojectslimited.in) and on the website of CDSL and shall also be communicated to Stock Exchange(s).

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. Saturday, August 10, 2019.

**The instructions for e-voting are as under:**

- i. The voting period begins on from 9.00 AM (IST) on Wednesday, August 07, 2019 and will end at 5.00 PM (IST) on Friday, August 09, 2019. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Saturday, August 03, 2019**, may cast their vote electronically.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii. Click on “Shareholders” tab.

- iv. Now, select the “**Magellanic Cloud Ltd**” (Formerly known as South India Projects Ltd) from the drop down menu and click on “SUBMIT”
- v. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. 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 voting of any company, then your existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

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

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. 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.

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant **Magellanic Cloud Ltd** (Formerly known as South India Projects Ltd) on which you choose to vote.
- xiii. 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.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. 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.
- xix. Note for Institutional Shareholders & Custodians:
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - 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)
  - 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.
  - 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.
  - 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.
- xx. 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)

**EXPLANATORY STATEMENT PRUSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item Nos. 4:****Appointment of Mr. Robert Alan Forbes Jr. as an Independent Director:**

Board of directors of the Company has appointed Mr. Robert Alan Forbes Jr. as an Additional Director in the category of Independent Director of the Company and who holds office of the Director till the conclusion of ensuing Annual General Meeting. Further, The appointment of Mr. Robert Alan Forbes Jr is recommended by Nomination and Remuneration Committee

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Robert Alan Forbes Jr. as an Independent Director of the Company for a consecutive term of five years commencing from May 28, 2019 to May 27, 2024.

Brief profile of Mr. Robert Alan Forbes Jr. is given below for reference of the member:

Mr. Robert Alan Forbes Jr. aged 54 is a Bachelor's of Science in Business Administration, Bryant University, USA and a Masters of Business Administration (MBA) Babson College, USA, he 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.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Robert Alan Forbes Jr. is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no.4 for the approval of the members.

**Item No. 5:****Appointment of Mr. Carwin Heierman as an Executive Director:**

Board of directors of the Company has appointed Mr. Carwin Heierman as an Additional Director in the category of Executive Director of the Company subject to approval of members at ensuing Annual General Meeting. The appointment of Mr. Carwin Heierman is recommended by Nomination and Remuneration Committee

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Carwin Heierman as an Executive Director of the Company on the following terms and conditions:

- I. Basic Salary – not exceeding Rs. 3,00,000/- per month
- II. Other reimbursements/Perquisites
  - a) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company
  - b) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company
  - c) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.

Brief profile of Mr. Carwin Heierman is given below for reference of the member:

Mr. Carwin Heierman aged 44 has done Higher Business Education in the Netherlands and has experience

in Investment Relations and process management is Located in Monaco with a strong network and track record in investment and investment networks he has Track record in digital growth strategies with an ability to identify, grow, and deploy core competencies and talent, he is also a Digital Transformation expert and process optimization also has experience in HR & Placement.

The Board recommends the resolution set forth in Item no.5 for the approval of the members.

**Item No. 6:**

**Change of designation of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) from Non-Executive Director to Managing Director designated as Global CEO of the Company:**

Board of directors of the Company has appointed Mr. Joseph Sudheer Reddy Thumma as an Managing Director designated as Global CEO of the Company. Further, the appointment of Mr. Joseph Sudheer Reddy Thumma as an executive Director is recommended by Nomination and Remuneration Committee for the period July 10, 2019 to June 09, 2024 whose term is liable to retire by rotation.

Brief profile of Mr. Joseph Sudheer Reddy Thumma is given below for reference of the member:

Mr. Joseph Sudheer Reddy Thumma aged 44, is a Bachelor of Computer Science Engineering from Osmania University, Telangana, India, he has an experience of around 21 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 4 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.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Jagan Mohan Reddy Thumma and Mr. Joseph Sudheer Reddy Thumma is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no.6 for the approval of the members

**Item No. 7:**

**Change in Registered office from one state to another:**

Presently, the Company's Registered Office is located in the State of West Bengal. The Board of Directors of your Company at their meeting held on 10h July, 2019 has decided to shift the Registered Office from the " State of West Bengal" to the " State of Maharashtra" to carry on the business of the Company more economically and efficiently andwith better operational convenience and to explore the business opportunity available in the market. Further, the Management hopes to garner more business and strengthen the financial position of the Company by venturing and exploring new markets and avenues.

Further, such proposed change in the registered office of the Company will not be prejudicial to the interest of any employees, shareholders, creditors or any other stakeholders of the Company.

As per provisions of Section 12, 13 and other applicable provisions, if any, of the Companies

Act, 2013 and rules made thereunder, such shifting of Registered Office requires the Company to alter Memorandum of Association of the Company and to obtain necessary approval of the Shareholders by way of special resolution.

The Board recommends the Resolution as set out above for approval of the members as special Resolution.

None of the Director, Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution except as members of the Company.

The Board recommends the resolution set forth in Item no.7 for the approval of the members

**Item No. 8:**

Your Board has considered adopting the new Articles of Association in terms of Company Act, 2013.

In terms of Section 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for alteration / adoption new set of Articles of Association of the Company and said alteration / amendment is subject to the approval of Ministry of Corporate Affairs and such other regulatory authorities, as may be required.

The new AoA to be substituted in place of the existing AoA which was based on Table `F` of the Companies Act, 2013.

The Board recommends passing of the resolution as set out in Item No. 08 of this notice as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item no. 08 of the Notice except to the extent of their shareholding in the Company.

**By Order of the Board of Directors**

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

**Registered Office:**

14B, Ram Chandra Moitra, Kolkata - 700005,  
West Bengal, India.

***Dated: July 10, 2019***

**BOARD'S REPORT**

To,  
The Members,  
**MAGELLANIC CLOUD LIMITED**  
(Formerly known as South India Projects Ltd)  
**CIN: L72100WB1981PLC034342**  
**KOLKATA.**

Your Directors have pleasure in presenting their 38th Annual Report on the Audited Financial Statement of Magellanic Cloud Limited ("*the Company*") for the Financial Year ended March 31, 2019.

**FINANCIAL RESULTS**

The summarized financial performance of the Company for the FY 2018-19 and FY 2017-18 is given below:

[Amount in Rs.]

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	7,40,20,801	6,17,20,699	202,95,83,228	161,12,69,865
Other Income	7,54,9522	-	75,56,936	-
<b>Total Revenue</b>	<b>8,15,70,323</b>	<b>6,17,20,699</b>	<b>203,71,40,164</b>	<b>161,12,69,865</b>
Total Expenses	6,96,81,502	4,70,19,903	194,24,96,564	154,18,68,716
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>	<b>1,18,88,821</b>	<b>1,47,00,795</b>	<b>9,46,43,600</b>	<b>6,94,01,149</b>
Exceptional Items	-	-	-	-
Extraordinary Items	-	-	-	-
<b>Net Profit Before Tax</b>	<b>1,18,88,821</b>	<b>1,47,00,795</b>	<b>9,46,43,600</b>	<b>6,94,01,149</b>
Provision for Tax				
- Current Tax	42,90,000	38,00,000	2,84,18,553	2,52,10,718
- Deferred Tax (Liability)/Assets	(24,245)	1,05,845	(24,245)	1,05,845
- Excess/(short) provision for earlier years	4,62,614	(72,602)	(1,23,36,826)	(72,602)
<b>Net Profit After Tax</b>	<b>71,60,452</b>	<b>1,08,67,552</b>	<b>7,85,86,118</b>	<b>4,41,57,188</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>71,60,452</b>	<b>1,08,67,552</b>	<b>7,85,86,118</b>	<b>4,41,57,188</b>
Other Comprehensive Income				
- Items that will not be reclassified to profit or loss	-	-	-	-

- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
- Items that will be reclassified to profit or loss	-	-	72,04,713	-
- 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>71,60,452</b>	<b>1,08,67,552</b>	<b>8,57,90,831</b>	<b>4,43,10,293</b>
Earnings per equity share ( <i>for continuing operation</i> ):				
- Basic (In ₹)	0.28	0.43	3.12	1.75
- Diluted (In ₹)	0.28	0.43	3.12	1.75

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

During the year under review, the Standalone total Income was **Rs. 7,40,20,801/-** as against **Rs. 6,17,20,699/-** for the corresponding previous year.

Total Comprehensive income for the period was **Rs. 71,60,452/-** as against **Rs. 1,08,67,552/-** in the corresponding previous year

**Consolidated:**

During the year under review, the consolidated total Income was **Rs. 202,95,83,228/-** as against **Rs. 161,12,69,865/-** for the corresponding previous year.

Total Comprehensive consolidated income for the period was **Rs. 8,57,90,831/-** as against Net **Rs. 4,43,10,293/-** in the corresponding previous year.

**DIVIDEND**

In order to conserve the resources for the further growth of the Company, your Directors think fit not to recommend any dividend for the year under review.

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

The Company has diversified its business plan in the field related with providing Manpower placement and recruiting, Selecting, Interviewing, Training and Employing all types of executives, Middle Management Staff, Junior Level Staff, Workers, Labor's Skilled/Unskilled required by various Industries and organizations.

**CHANGE IN NATURE OF BUSINESS**

In order to diversify the business of the company the new object clause was inserted in Main object clause of the Company, to commence the Human resource related businesses along with existing business activities and accordingly the Company change its name from South India Projects Limited to Magellanic Cloud Limited. SHARE CAPITAL

**SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on 31st March, 2019 is INR 25,16,69,400 (Indian Rupees Twenty Five Crores Sixteen Lakhs Sixty Nine Thousand Four Hundred only) divided into



2,51,66,940 (Two Crores Fifty One Lakhs Sixty Six Thousand Nine Hundred and Fourty) Equity Shares of INR.10.00 (Indian Rupees Ten) Each.

### **BONUS ISSUE:**

The Board, at its meeting held on 25th August, 2018, approved and recommended the issue of Bonus shares to increase the liquidity of its shares. The shareholders approved the issue of bonus shares on 29th September, 2018. The Company had allotted a sum of Rs. 20,13,35,520 be capitalised out of the Securities Premium Account and distributed amongst the equity shareholders of the company, by issue of 2,01,33,552 equity shares of Rs. 10 each credited as fully paid up to the equity shareholders in the proportion of 4:1 i.e. 4 (four) bonus equity share of Rs. 10/- each fully paid up for every 1 (one) equity share of Rs. 10/- each fully paid up held by the members.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **➤ Inductions / Appointment or Re-appointment of Director:**

At the 37th Annual General Meeting held on September 29, 2018, Mr. Jagan Mohan Reddy Thumma (DIN: 06554945) was re-appointed as the Director of the Company and his officer shall liable to retire by rotation.

Further on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Robert Alan Forbes Jr. (DIN: 08459003) as an additional (Independent) Directors and Mr. Carwin Heierman (DIN: 08458981) as an Additional Directors in their meeting held on 28th May, 2019, in pursuant to section 161 of the Companies Act, 2013 read with Articles of Association of the Company, who shall hold the office until the 38th Annual General Meeting.

The resolutions for confirming the appointment of Mr. Robert Alan Forbes Jr. (DIN: 08459003) and Mr. Carwin Heierman (DIN: 08458981) as Directors, forms part of the Notice convening the 38th Annual General Meeting ('AGM') scheduled to be held on August 10, 2019. We seek your support and hope you will enthusiastically vote in confirming their appointment to the Board.

#### **➤ Change in designation:**

The Board, upon the recommendations of the Nomination and Remuneration Committee had appointed Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) as a Managing Director designated as a Global CEO of the Company for a period of 5 years w.e.f. July 10, 2019.

The resolutions for confirming the appointment of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) as a Managing Director designated as a Global CEO, forms part of the Notice convening the 38th Annual General Meeting ('AGM') scheduled to be held on August 10, 2019. We seek your support and hope you will enthusiastically vote in confirming their appointment to the Board.

#### **➤ Cessation of Directorship:**

The following director was resigned from the Board of the Company:

Sr. No.	Name of the Director	Designation	Date of Resignation
1	Mr. Surya Narayan Tripathy	Independent Director	February 13, 2019

#### **➤ 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. Joseph Sudheer Reddy Thumma, Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 38th Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

**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.

**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, 7 (Seven) 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 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 top ten employees in terms of remuneration drawn are disclosed in *Annexure III* and forms part of this Report.

**EXTRACT OF ANNUAL RETURN:**

The Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is hosted on 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**

At the 36<sup>th</sup> Annual General Meeting held on 29th September, 2017, M/s. D. Kothary & Co., Chartered Accountants, (Firm Regd. No. 105335W), were appointed as Statutory Auditors of the Company to hold office till the conclusion of 41<sup>st</sup> Annual General Meeting to be held in financial year 2022.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. However, pursuant to Ordinary Resolution passed at the 36th AGM, appointment shall subject to ratification at every annual general meeting.

Hence, the Notice convening the ensuing 38<sup>th</sup> AGM contained a resolution on ratification of appointment of Statutory Auditors. Further, M/s. D. Kothary & Co., Chartered Accountants, (Firm Regd. No. 105335W), has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and they will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2022.

Auditors Report as issued by M/s. D. Kothary & Co, Chartered Accountants, Auditors of the Company is self explanatory and need not call for any explanation by your Board.

**SECRETARIAL AUDIT**

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, Ms. Reena S. Modi, 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. *Website of the Company is not updated as per SEBI (LODR) Regulation, 2015;*

Reply:

The website of the Company is under maintenance and will be active in due course of time.

2. *Non-Compliance for appointment of Internal Auditor for the aforesaid Audit period.*

Reply:

The Management is looking out for suitable candidate to be appointed as an Internal of the Company.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place 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**

The Company has not provided stock options to any employee.

**RISK MANAGEMENT POLICY**

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board periodically to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

The Company does not fall under the ambit of top 100 listed entities, determined on the basis of market capitalisation as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

**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, 2016.

**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 9 & 13 respectively under Notes forming part of financial statement.

**INSURANCE**

The properties/assets of the Company are adequately insured.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Since your Company does not fall under the threshold laid down in section 135 of the Companies Act, 2013, the provision of section 134(3)(o) of the Companies Act, 2013 is not applicable and no disclosure is required by the Board.

**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 VII.

#### **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 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, there were no foreign earnings and outgo.

#### **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**

The Company has received show Cause Notice from Reserve Bank of India dated 16th March, 2018 for cancellation of Certificate of Registration. Your Board has accepted to cancel the certificate of NBFC as Company has discontinued the NBFC activities. However, 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 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**

**Jagan Mohan Reddy Thumma**

**Managing Director**

[DIN: 06554945]

**Tiparnapally Nikitha**

**Director**

[DIN: 07399613]

**Date: 10/07/2019**

**Registered Office:**

*14B, Ram Chandra, Moitra, Kolkata -700005,*

*West Bengal, India.*

***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 nonexecutive) 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 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 Kanani Industries 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 prerequisites 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.

**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.

**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.

**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 2018-19 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 2018-19

Name & Designation	*Remuneration of each Director & KMP for Financial Year 2017-18 (Rs.)	% increase/ decrease in remuneration in the Financial Year 2017-18	Ratio of remuneration of each Directors to median remuneration of employees
<b>A. Independent Directors</b>			
Mrs. Tiparnapally Nikitha (ID)	-	-	-
Mr. Surya N. Tripathy (ID)	-	-	-
<b>B. Executive Directors/KMP</b>			
Mr. Jagan Mohan Reddy Thumma (MD)	4,80,000	-	2.01:01
Mr. Sanjay M. Chauhan (CFO)	21,60,000	-	9.06:01
<b>C. Non-Executive, Non-Independent Director</b>			
Mr. Joseph Sudheer Reddy Thumma	-	-	-

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 2018-19 is Rs.2,38,452/-.

- iii. The percentage increase in the median remuneration of employees in the financial year 2017-18

	Financial Year 2018 - 19 (Rs.)	Financial Year 2017 - 18 (Rs.)	Increase (%)
Median remuneration of all employees	2,38,452	68,889.44	28.89%

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 119 permanent employees on the rolls of Company as on March 31, 2019.
- 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.

Average percentile increase/decrease in the salaries of employee other than the MD in the Financial Year 2018-19 was 28.89% and there is no increase in the salary of the MD.

**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**

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

**Tiparnapally Nikitha**  
**Director**  
[DIN: 07399613]

**Date: 10/07/2019**

**Registered Office:**

*14B, Ram Chandra, Moitra, Kolkata -700005,  
West Bengal, India.*

## Annexure III

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

Names of employees	Designation/ Nature of Duties	Remuneration Received [Rs.] 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	480000.00	MBA	20 years	42 years	1-May-2016	JNIT Technologies PVT LTD	9.34%
Syed Ameeruddin	Operations Head	3600000.00	MBA	11 Years	30 Years	1-May-2016	JNIT Technologies PVT LTD	-
Arvind Gatla	Assistant Manager	681120.00	MBA	11 Years	41 Years	1-May-2016	JNIT Technologies PVT LTD	-
Krishna Prasad Vyakaranam	Technical Architect	1667919.96	B-Tech	12 Years	37 Years	1-May-2016	JNIT Technologies PVT LTD	-
Mohammed Aziz Pasha	Lead Business Development Manager	2108400.00	B-Tech	7 Years	29 Years	1-May-2016	JNIT Technologies PVT LTD	-
Nagesh Kumar Banala	Lead Business Development Manager	1706100.00	B-Tech	5.6 Years	28 Years	1-May-2016	JNIT Technologies PVT LTD	-
Mohammed Zuber Ahmed	Business Development Manager	917040.00	B.Tech.	4.3 Years	29 Years	1-May-2016	JNIT Technologies PVT LTD	-
Sanjay M. Chauhan	CFO	2160000.00	CA Intermediate	15 Years	38 Years	1-May-2016	JNIT Technologies PVT LTD	-
Joseph Jagadeesh Dasari	Business Development Trainee	875700.00	B.Tech.	4 Years	26 Years	1-May-2016	JNIT Technologies PVT LTD	-
Munesh Kumar Pebba	Business Development Manager	661680.00	Degree	5 Years	31 Years	1-May-2016	JNIT Technologies PVT LTD	-



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

<b>Names of Employees</b>	<b>Names of employees who are relatives of any Director</b>
Jagan Mohan Reddy Thumma	Brother of Joseph Sudheer Reddy Thumma
Syed Ameeruddin	No Relation with any Director
Arvind Gatla	No Relation with any Director
Krishna Prasad Vyakaranam	No Relation with any Director
Mohammed Aziz Pasha	No Relation with any Director
Nagesh Kumar Banala	No Relation with any Director
Mohammed Zuber Ahmed	No Relation with any Director
Sanjay M. Chauhan	No Relation with any Director
Joseph Jagadeesh Dasari	No Relation with any Director
Munesh Kumar Pebba	No Relation with any Director

**For and on behalf of the Board of Directors**

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

**Tiparnapally Nikitha**  
**Director**  
 [DIN: 07399613]

**Date: 10/07/2019**

**Registered Office:**

14B, Ram Chandra, Moitra, Kolkata -700005,  
 West Bengal, India.

**Annexure - IV****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
Name of the subsidiary	JNIT Technologies, INC.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2019
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 31-03-2019 is Rs.65.04
Share capital	1150
Reserves & surplus	252164
Total assets	7202967
Total Liabilities	2730187
Investments	-
Turnover	5908088
Profit before taxation	315951
Provision for taxation	99673
Profit after taxation	216279
Proposed Dividend	-
% of shareholding	100

Names of subsidiaries which are yet to commence operations : - No

Names of subsidiaries which have been liquidated or sold during the year : - No

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

Sr. No.	Name of Associates/Joint Ventures	
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 : -No

Names of associates or joint ventures which have been liquidated or sold during the year: -No

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

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

**Nikitha Tiparnapally**  
(Independent Director)

**(Sanjay Chauhan)**  
(Chief Financial officer)

**Sadhu J Shetty**  
(Company Secretary)

**Date :10<sup>th</sup> July 2019**

**Annexure – V****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Overview of the Industry In FY 2019:

Over the last three decades and today very few offices and businesses remain untouched by the information revolution. Digital Transformation market size is projected to be around US\$ 462 billion by 2023. The ability of the microchip to store and process information has radically changed business lifeglobally and in India as well. Many businesses have gone out of the play because they did not integrate IT into their business operations when their competitors did, or because they did computerise but went about it in the wrong way. Therefore it is vital that managers are well versed with the uses and potential of IT. IT has relevance not only for business arena, at the same time it is beneficial to society and its individual members also.

The global Enterprise Software Market is projected to witness a steady CAGR of around 5.47% during 2016-2022 while the global staffing revenue is around \$461 billion with a forecasted growth of 7%. IT Services is estimated to have grown by 2.4% year on year, driven by digital demand. Your Company has historically grown much faster than the market, driven by significant market share gains on account of a superior capabilities, greater participation in the digital opportunity and track record in taking on and successfully executing large, transformational programs.

**INFORMATION TECHNOLOGY SECTOR: INDIAN PERSPECTIVE**

The revenue aggregate of Information Technology- Software Development and Human Resource i.e. activities of employment placement activities(IT-HR)industry is expected to grow dramatically and was expected to reach multi-fold billions by the end of this decade and the following decades.

**COMPANY OVERVIEW:**

Your Company is an IT services in software development, consulting and Human Resource business solutions organization offering transformational as well as outsourcing services i.e. listing employment vacancies and referring or placing applicants for employment, where the individuals referred or placed are not employees of the employment agencies. This also includes on-line employment placement agencies due to which we are targeting every C-suite stakeholder. The Company uses all these, and its industry leading suite of platforms to deliver high quality, high impact solutions leveraging the latest technologies and Human Resources to customers.

Magellanic Cloud executes complex IT Projects for its customers worldwide. The key deliverables are around DevOps, which consists of Cloud Migrations, Platform Migration, MS Azure and Amazon Cloud Administration, Application Delivery and AD optimization. Other Projects consist of Human Capital, such as IT staffing and placing that go with complex projects. In the Digital Transformation space we operate projects such as Digital Workplace, Application Rationalization, Digital Asset Management and Change Management. All Projects are a mix of Human Capital, Software and Services.

**STRATEGY:**

Your Company has successfully navigated through multiple technology cycles over the last years, pivoting and adapting each time to build relevant new capabilities and helping our clients realize the benefits of that new technology. Our responsiveness, agility and adaptability to change have been core to our progress. Customer-centricity is at the core of South India Projects Limited' strategy, organization structure and investment decisions. The philosophy has been to expand and deepen customer engagements by continually

looking for new areas in the customer's operational value chain where your company can add value, and to proactively invest in building newer capabilities to participate in those opportunities. This has resulted in a continual expansion of every customer relationship in terms of the services consumed, revenue and share of wallet. The willingness to invest in the relationship, the commitment to deliver outstanding outcomes and the track record of execution excellence has resulted in high satisfaction levels and long, enduring customer relationships.

The Magellanic Cloud Go-To-Strategy:

Our strategy is built around an eco-system of companies with critical synergy. This allows us to reach target markets faster and achieve a competitive advantage.”

Magellanic Cloud consists of companies that are very close to the reality of the terrain with each it's unique skillset and market place.

On the other hand, synergy, shared services and corporate resources reduce costs and allows proven operating standards. This full integration enables cross-sell throughout our holding company, guaranteeing higher growth and better margins.

Over time, every customer engagement results in the build-up of deep contextual knowledge of the customer's business which is leveraged to build innovative, transformative solutions.

#### **THE CHALLENGE OF CHANGE**

A major feature of Information Technology is the changes that IT brings, those who speak of a revolution from technology are really talking about change. Business and economic conditions change all the time; a revolution is a discontinuity, an abrupt and dramatic series of changes in the natural evolution of economies.

The major challenges involved that affect the industry of your company is the ever changing software developments happening word wide as well as the need for continuous research for the improvements required by the company to compete in the markets and developments in IT software also affects the employment placement activities of the companies in the industry as the requirements of the clients changes as per the developments with respect to the developments in the software in the industry and your company is required to meet those needs.

#### **STRENGTHS:**

At Magellanic Cloud we provide software and employment placement agency services i.e. listing employment vacancies and referring or placing applicants for employment, where the individuals referred or placed are not employees of the employment agencies. This also includes on-line employment placement agencies and due to the effective internal control measures and continuous research and development the company is doing good in terms of the industry competitors.

Magellanic Cloud operates in the Information Technology space. In this wide spectrum we focus on key growth market areas such as Digital Transformation, Cloud Migration, DevOps, Application Rationalization and Digital Asset Management.

We optimize efficiency through tools, processes and people. Therefore, our IT Staffing companies play a key role in accelerating digital transformation using sheer brainpower.

Providing excellent return on investments for our customers while mitigating risk and macro events, Magellanic Cloud provides an investment strategy that keeps a balance between risk and benefit. Magellanic Cloud operates in clearly defined market places. These markets are generally trending, predictable in its nature and represent significant ongoing growth.

**OPPORTUNITIES:**

Your Company on its part is also well poised to seize new opportunities as they come and due to the evergrowing business opportunities in the IT Software developments and Human Resource sector with the developments in technology there is a huge scope for growth to your Company. There are a numerous client base which can be targeted for development of the scope and business.

**WEAKNESS:**

The Company is trying to strengthen its network base and link of clients that it deals with. The Company has significant business presence which it is trying to increase.

**THREATS**

As the developments in technology with respect to software with respect to information technology is a blessing it is also a huge threat due to the continuous developments in the same but as the your company has good research and development encouragement it is not a major threat to your company. The overcoming of various immediate regulations and policy changes in the countries where your company has clients also is also considered to be a threat to the company.

**INTERNAL CONTROL SYSTEM AND ADEQUACY:**

Internal control systems and procedures in the Company are commensurate with the size and the nature of Company's business and are regularly reviewed and updated by incorporating changes in internal regulatory provisions in order to safeguard the assets and to ensure reliability of financial reporting. There is a continuous upgradation of knowledge with respect to software developments which is encouraged by your Company.

**HUMAN RESOURCES:**

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is continuously working to create and nurture an atmosphere which is highly motivated and result oriented.

**FINANCIAL PERFORMANCE:**

During the year under review, your Company achieved revenue from operations of Rs. 8,15,70,323 Lakhs as against Rs. 6,17,20,699 Lakhs in the Previous Year and a Consolidated revenue from operations of Rs. 2,03,71,40,164 as against 161,12,69,865 as per Consolidated statements for the previous year under review.

**For and on behalf of the Board of Directors**

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

**Tiparnapally Nikitha**  
**Director**  
[DIN: 07399613]

**Date:** 10/07/2019

**Place:** Hyderabad

**Registered:**

14B, Ram Chandra, Moitra, Kolkata -700005,  
West Bengal, India.



**REENA S MODI & ASSOCIATES**  
**COMPANY SECRETARIES**

**Ms. Reena T Parekh**  
(Company Secretary, M.Com)

Address: Flat no-44, 4<sup>th</sup> Floor, Giriraj, Above Rajawadi Post office, Mumbai-400077.  
E-mail [id-reena.modi88@gmail.com](mailto:reena.modi88@gmail.com)

**Annexure – VI**

**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2019**

*[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**

**(Formerly known as South India Projects Ltd)**

Regd. Office 14B, Ram Chandra Moitra,

Kolkata - 700005, West Bengal, India.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company 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 2019 ('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, (subject to the observations mentioned in this report) 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 2018 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. Since minutes are under process, the Secretarial standards are not completely complied.
- (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:

- Website of the Company is not updated as per SEBI (LODR) Regulation, 2015;
- Non-Compliance for appointment of Internal Auditor for the aforesaid Audit period;
- Minutes are in process of updation;
- During the year under review the BSE imposed a penalty for delayed in submission of Annual Report for the F.Y. 2017-18, the Company has paid the same to the BSE
- Committee Meeting are formed and regulated except one of the meeting dated 14th February, 2019 where Independent Director resigned on 13/02/2019.

**I further report that:**

- The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors due to resignation of one of the Independent Director on 13th February, 2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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. REENA S. MODI & ASSOCIATES  
COMPANY SECRETARIES**

**Place: Mumbai  
Date: 10/07/2019**

**REENA S. MODI  
{PROPRIETOR}  
FCS: 25436  
CP NO.12621**

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

To,

**The Members,**

**Magellanic Cloud Limited**

**(Formerly known as South India Projects Ltd)**

Regd. Office 14B, Ram Chandra Moitra,  
Kolkata - 700005, West Bengal, India.

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. REENA S. MODI & ASSOCIATES  
COMPANY SECRETARIES**

**Place: Mumbai  
Date: 10/07/2019**

**REENA S. MODI  
{PROPRIETOR}  
FCS: 25436  
CP NO.12621**

**Annexure – VII****CORPORATE GOVERNANCE REPORT**

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.

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Your Company has committed to bring about the good corporate governance practices. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interaction with stakeholders including shareholders, employees, the government and the lenders. The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments.

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

**2. 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.

The Company has shortage by one Independent Director as on March 31, 2019 due to resignation of Mr. Surya Narayan Tripathy w.e.f. 14<sup>th</sup> February, 2019. However the Company has appointed the required Directors on 28<sup>th</sup> May, 2019 pursuant to Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on March 31, 2019, the Board comprised of 3 (Three) Directors out of which 1 (One) is Non-Executive Independent Directors, 1 (One) is Non-Executive Director and 1 is 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, 2019, 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	-	-	-	23,50,000
Joseph Sudheer Reddy Thumma	Non-Executive Director	-	-	-	1,05,96,730
Miss. Nikitha Tiparnapally	Non-Executive Director Independent Director	-	-	-	-

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 **07 (Seven)** Board Meetings were held during the financial year ended March 31, 2019, the dates of which are 28<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 25<sup>th</sup> August 2018, 25<sup>th</sup> September, 2018, 11<sup>th</sup> October, 2018, 19<sup>th</sup> November 2018 and 14<sup>th</sup> February 2019.

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 29/09/2018.
Mr. Jagan Mohan Reddy Thumma	7	Present
Joseph Sudheer Reddy Thumma	1	Absent
Miss. Nikitha Tiparnapally	7	Present
*Surya Narayan Tripathy	7	Absent

*\*Resigned w.e.f. 13.02.2019*

### 3. 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 by corporate finance, accounts and company law.

The constitution of the Audit Committee as on March 31, 2019 is as follows:

S.N	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Jagan Mohan Reddy Thumma	Executive Director
2.	Mrs. Tiparnapally Nikitha	Non-Executive Independent
3.	*Mr. Surya Narayan Tripathy	Non-Executive Independent

*\*Resigned w.e.f. 13.02.2019*

#### MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2019, 7 (Seven) Audit Committee Meetings were held on 28<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 25<sup>th</sup> August 2018, 25<sup>th</sup> September, 2018, 11<sup>th</sup> October, 2018, 19<sup>th</sup> November 2018 and 14<sup>th</sup> February 2019.

The attendance at the Audit Committee Meetings is as under:

S. NO	Name of Director	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mr. Jagan Mohan Reddy Thumma	Executive Director, Member	7
2.	Mrs. Tiparnapally Nikitha	Non-Executive - Independent Director, Member	7
3.	*Mr. Surya Narayan Tripathy	Non-Executive - Independent Director, Chairperson	6

*\*Resigned w.e.f. 13.02.2019*

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 29/09/2018 to attend the shareholders' queries.

#### 4. 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 31<sup>st</sup> March, 2019.

#### COMPOSITION:

The constitution of the Committee of Directors is as under:

Sr. NO	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Jagan Mohan Reddy Thumma	Executive Director
2.	Mrs. Tiparnapally Nikitha	Non-Executive Independent
3.	*Mr. Surya Narayan Tripathy	Non-Executive Independent

*\*Resigned w.e.f. 13.02.2019*

#### MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2019, 7 (Seven) Audit Committee Meetings were held on 28<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 25<sup>th</sup> August 2018, 25<sup>th</sup> September, 2018, 11<sup>th</sup> October, 2018, 19<sup>th</sup> November 2018 and 14<sup>th</sup> February 2019.

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

Sr. NO	Name of Director	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mr. Jagan Mohan Reddy Thumma	Executive Director, Member	7
2.	Mrs. Tiparnapally Nikitha	Non-Executive - Independent Director, Member	7
3.	*Mr. Surya Narayan Tripathy	Non-Executive - Independent Director, Chairperson	6

#### 5. 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:

Sr. NO	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Joseph Sudheer Reddy Thumma	Non-Executive and Non-Independent
2.	Mrs. Tiparnapally Nikitha	Non-Executive Independent
3.	*Mr. Surya Narayan Tripathy	Non-Executive Independent

\*Resigned w.e.f. 13.02.2019

#### 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 programme, 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 2018-2019

Sr. NO	Names of Directors/ KMP	Executive/Non-Executive Independent	Amt. (in Rs.)
1.	Mr. Jagan Mohan Reddy Thumma	Managing Director	4,80,000
2.	Mrs. Tiparnapally Nikitha	Non-Executive Independent	Nil
3.	*Mr. Surya Narayan Tripathy	Non-Executive Independent	Nil
4.	Mr. Joseph Sudheer Reddy Thumma	Non-Executive and Non Independent Director	Nil
5.	Mr. Sanjay M. Chauhan	Chief Financial Officer	21,60,000
6.	** Mr. Sadhu J. Shetty	Company Secretary	1,40,000

\*Resigned w.e.f. 13.02.2019

\*\*Appointed w.e.f. 01.09.2018

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 financial year ended March 31, 2019, 6(Six) Committee Meeting was held to consider and approve the remuneration package of the Executive Directors of the Company.

The attendance at the Remuneration Committee Meeting as on March 31, 2019 is as under:

Sr. No.	Name of Director	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mr. Joseph Sudheer Reddy Thumma	Non-Executive and Non-Independent, Member	1
2.	Mrs. Tiparnapally Nikitha	Non-Executive Independent, Member	6
3.	*Mr. Surya Narayan Tripathy	Non-Executive Independent, Chairperson	6

\*Resigned w.e.f. 13.02.2019

#### 6. 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
2015-2016	30/09/2016	5&6, Fancy Lane Kolkata – West Bengal 700001, India	4.00 P.M.	-
2016-2017	29/07/2017	5&6, Fancy Lane Kolkata – West Bengal 700001, India	11.00 A.M.	03
2017-18	29/09/2018	5&6, Fancy Lane Kolkata – West Bengal 700001, India	03.30 P.M.	01

During the year under review, the company approached the shareholders through postal ballot for their approval / consent, details of postal ballot are as under:

Sr. No.	Particulars	Details
1.	Date of Postal Ballot	July 18, 2018
2.	Voting period	begins 9.00 am (IST) on Monday, June 18, 2018 and ends on 05.01 pm (IST) on Tuesday, July 17, 2018
3.	Date of declaration of result	July 19, 2018
4.	Date of Approval of resolution	July 18, 2018
5.	Purpose of Resolution	Change of Name, object and Memorandum of Association
6.	Types of resolution	Special Resolution
7.	No. of votes casted	38,19,669
8.	Votes cast in favour & Percentage	38,19,667 (99.99 %)
9.	Votes cast in against & Percentage	02 (0.01 %)

**Procedure for postal ballot**

During the year under review, the Company had successfully completed the process of obtaining the approval of its Members through Postal Ballots as per provisions of section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof) (“the Rules”), there was 1 (One) Postal Ballot conducted.

The Company has sent the Postal Ballot Notice(s) together with Postal Ballot Form to the Members of the Company for seeking their approval to the businesses listed therein. The Company has also provided its Members with an e-voting facility through Central Depository Services (I) Limited (CDSL), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution(s) proposed through Postal Ballot(s).

The Company has complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Mr. Deep Shukla, Proprietress of M/s. Deep Shukla & Associates, Practicing Company Secretaries, Mumbai, was appointed as a scrutinizer for scrutinizing voting (both physical and e-voting) in a fair and transparent manner for both the postal ballots conducted by the Company during the year.

**8. 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).

**9. 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.

## 10. 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.23.2 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 AS) -18 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. However, the Company has paid the penalty as imposed by BSE for late submission of annual Report for the F.Y. 2017-18 in pursuant to Reg. 34(1) of SEBI (LODR) Regulation, 2015

### 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:

- a. 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.
- b. Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.
- c. Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.
- d. 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 one foreign subsidiary company as on March 31, 2019.

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.

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.

**8. MEETING OF INDEPENDENT DIRECTOR:**

During the year under review, a separate meeting of the Independent Directors was held in the F.Y. 2018-19. 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 flow of information between the Company's management to the Board.

**9. 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. Duranta Barta (Bengali)

**10. GENERAL SHAREHOLDERS' INFORMATION:****1. Annual General Meeting Scheduled to be Held:**

**Day & Date** : Saturday, August 10, 2019

**Time** : 3.30 P.M.

**Venue [Regd. Off.]** : 14B, Ram Chandra Moitra, Kolkata - 700005, West Bengal, India.

**2. Date of Book Closure** : August 05, 2019 to August 10, 2019 [both days inclusive]**3. Financial Calendar:**

The next financial calendar year of the Company will be from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

<b>Audited/ Unaudited</b>	<b>Particulars of Financial Reporting</b>	<b>Date</b>
Unaudited	Financial Reporting for the quarter ending 30 <sup>th</sup> June, 2019.	Up to 15 <sup>th</sup> Aug, 2019
Unaudited	Financial Reporting for the quarter ending 30 <sup>th</sup> September, 2019.	Up to 15 <sup>th</sup> Nov, 2019
Unaudited	Financial Reporting for the quarter ending 31 <sup>st</sup> December, 2019.	Up to 15 <sup>th</sup> Feb, 2020
Audited	Financial Reporting for the Audited Financial Result as on 31 <sup>st</sup> March, 2019.	Up to 30 <sup>th</sup> May 2020

**4. Listing on Stock Exchanges:**

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

**5. Stock Codes:**

- Bombay Stock Exchange Limited : 538891

**6. Stock Price Data:**

The monthly high and low quotations and volume of shares traded on **Bombay Stock Exchange Limited** is as follows:

<b>MONTH</b>	<b>BSE, MUMBAI</b>		
	<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>No. of shares Traded</b>
April, 2018	265.00	244.00	3,74,232
May, 2018	252.80	231.00	4,49,124
June, 2018	254.00	239.80	4,31,271
July, 2018	249.30	231.10	5,11,229
August, 2018	278.00	227.80	3,71,431
Sept, 2018	239.50	227.10	4,00,172
Oct, 2018	240.00	31.20	7,18,717

Nov, 2018	51.80	33.15	1,93,125
Dec, 2018	43.00	33.55	3,05,544
Jan, 2019	43.95	31.50	1,16,696
Feb, 2019	41.45	33.10	2,09,829
March, 2019	41.85	24.30	3,19,974

\* Source: BSE Website

## 7. Performance in comparison

The company Fully Paid Share Price versus BSE Sensex



## 8. Address for Correspondence:

Administrative Office	Mahaveer Techno Park, Plot No.06, Survey No.64, Software Units Layout, 5 <sup>th</sup> Floor, Inorbit Mall Road, Hi- Tech City, Madhapur, Hyderabad, Telangana-500081, India
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 : <a href="http://www.nichetechpl.com">www.nichetechpl.com</a> e-mail : <a href="mailto:nichetechpl@nichetechpl.com">nichetechpl@nichetechpl.com</a>

## 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 dematerialisation of shares are processed by the Company and Niche Technologies Pvt. Ltd Limited within **21 days**.

## 10. Dematerialisation of shares:

As on 31<sup>st</sup> March, 2019, 2,51,31,400 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 2,51,66,940 aggregating to 99.86%

**11. Distribution of shareholding as on 31<sup>st</sup> March, 2019:**

No. of shares held			No. of shareholders	No. of shares held	% of shareholding
1	to	500	856	59,812	0.24
501	to	1000	22	18,358	0.07
1001	to	5000	53	1,35,115	0.54
5001	to	10000	16	1,06,485	0.42
10001	to	50000	44	10,82,413	4.30
50001	to	100000	8	6,12,735	2.43
100001	and	Above	43	2,31,52,022	91.37
<b>TOTAL</b>			<b>8497</b>	<b>2,51,66,940</b>	<b>100</b>

**12. Shareholding Pattern as on 31<sup>st</sup> March, 2019:**

Particulars of Category	Number of Shareholders	Shares	
		Number	% to total Capital
<b>(A) Promoter and Promoter Group Holding</b>			
1. Individual / Hindu Undivided Family	4	1,61,46,730	64.16
Bodies Corporate	-	-	-
<b>Total (A)</b>	<b>4</b>	<b>1,61,46,730</b>	<b>64.16</b>
<b>(B) Non - Promoter Holding</b>			
<b>Institutions</b>			
Financial Institutional Investors (FIIs)/Banks	-	-	-
Trusts	-	-	-
<b>Non-Institutions</b>			
Bodies Corporate	08	323830	1.29
Indian Public	1013	8231747	32.71
NRIs	03	330	0.00
Clearing Members	14	464303	1.84
Hindu Undivided Family	-	-	-
Investor Education And Protection Fund Authority	-	-	-
<b>Total (B)</b>	<b>1038</b>	<b>90,20,210</b>	<b>35.84</b>
<b>Grand Total (A)+(B)</b>	<b>1042</b>	<b>2,51,66,940</b>	<b>100</b>

**Note:** The total foreign shareholding for the year ended 31<sup>st</sup> March, 2019 is 1,05,97,060 shares which in percentage terms is 42.10% of the issued and subscribed capital.

There is 1,61,46,730 Equity Shares under Lock-in for the period ended as on 31/03/2019.

Shareholding pattern in case of dematerialization shares has been prepared based on download of data received from NSDL / CDSL as on 31<sup>st</sup> March 2019.

**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, 2019 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 and on behalf of the Board of Directors  
Magellanic Cloud Limited  
(Formerly known as South India Projects Limited)**

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

**Sanjay Chauhan**  
Chief Financial Officer  
[DIN: 07399613]

**Place:** Hyderabad  
**Date:** July 10, 2019

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

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

**Place:** Hyderabad  
**Date:** July 10, 2019



**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To

The Members of  
**Magellanic Cloud Limited**

We have examined the compliance of conditions of Corporate Governance by Magellanic Cloud Limited for the year ended on 31<sup>st</sup> March, 2019 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period starting from April 1, 2018 to March 31, 2019, of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

**For M/s. D. Kothary & Co**  
Chartered Accountants

**Mukesh U. Jha**  
Partner  
Membership No. 125024

**Place: Mumbai**  
**Date: July 10, 2019**

# **Magellanic Cloud Limited**

*(Formerly known as South India Projects Limited)*

## **STANDALONE ANNUAL REPORT**

### **FINANCIAL YEAR 2018-19**



## D. KOTHARY & CO.

### Chartered Accountants

#### INDEPENDENT AUDITOR'S REPORT

To the Members of  
Magellanic Cloud Limited (Formerly known as South India Projects Limited)

#### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Magellanic Cloud Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 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 31st March, 2019, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Basis of Opinion

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

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 of 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



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## D. KOTHARY & CO.

### Chartered Accountants

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.

In preparing the financial statements, the Board of Directors 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.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
  - (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.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".



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Chartered Accountants

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which has impact on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There is no amount due to transfer to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2019.

For D. Kothary & Co  
Chartered Accountants  
Firm Regn No. 105335W

  
Mukesh U. Jha  
(Partner)  
Membership No. 125024



Place: Mumbai  
Date : 28<sup>th</sup> May 2019



## D. KOTHARY & CO.

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#### Annexure A to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. In respect of its Property, plant & Equipment:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment on the basis of available information.
  - b) As explained to us, all the property, plant & equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - a) According to the documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.
- ii. In respect of its inventories:
  - a) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act, in respect of the mining activities rendered by the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a) Undisputed statutory dues in respect of sales tax, service tax, withholding taxes, provident fund, and employees' state insurance, cess as applicable and any other statutory dues have been regularly deposited with the appropriate authorities. There were no undisputed amounts payable in respect of Income-tax, Custom Duty, GST, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2019, for a period of more than six months from the date they became payable.



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## D. KOTHARY & CO.

Chartered Accountants

- b) There are no statutory dues pending to be deposited on account of disputes pending with various forums.
- viii. Based on our audit procedures and as per the information and explanations given by management, the Company has not defaulted in repayment of dues to any financial institution.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has paid/provided for managerial remuneration in the books of accounts in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For D. Kothary & Co  
Chartered Accountants  
Firm Regn No. 105335W

  
**Mukesh U. Jha**  
(Partner)  
Membership No. 125024  
Place: Mumbai  
Date : 28<sup>th</sup> May 2019



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### Annexure - B to the Auditors' Report

To the Members of  
Magellanic Cloud Limited (Formerly known as South India Projects Limited)

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

We have audited the internal financial controls over financial reporting of **Magellanic Cloud Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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### Meaning of Internal Financial Controls over Financial Reporting

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


### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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.

For D. Kothary & Co  
Chartered Accountants  
Firm Regn No. 105335W

  
Mukesh U. Jha  
(Partner)  
Membership No. 125024  
Place: Mumbai  
Date : 28<sup>th</sup> May 2019



**Magellanic Cloud Limited**  
(formerly known as South India Projects Limited)  
CIN: L72100WB1981PLC034342  
Balance Sheet As at 31st March 2019

Sr. No.	Particulars	Notes	As at March 31, 2019 Amount in Rs.	As at March 31, 2018 Amount in Rs.
<b>I.</b>	<b>ASSETS</b>			
1	<b>Non Current Assets</b>			
(a)	Property, Plant and Equipment	4	61,10,498	69,17,689
(b)	Financial Assets			
(i)	Investments	5	26,00,00,000	26,00,00,000
(c)	Other non-current assets	6	23,06,000	20,56,000
			<b>26,84,16,498</b>	<b>26,89,73,689</b>
2	<b>Current Assets</b>			
(a)	Financial Assets			
(i)	Trade receivables	7	61,88,636	53,38,819
(ii)	Cash and cash equivalents	8	35,26,644	28,47,635
(iv)	Loans	9	9,02,38,519	8,86,04,342
(b)	Current Tax Assets (net)		26,48,007	-
(c)	Other current assets	10	33,04,029	18,09,707
			<b>10,59,05,835</b>	<b>9,86,00,503</b>
	<b>TOTAL</b>		<b>37,43,22,333</b>	<b>36,75,74,193</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
(a)	Equity Share Capital	11	25,16,69,400	5,03,33,880
(b)	Other Equity	12	11,21,69,602	30,63,44,671
			<b>36,38,39,002</b>	<b>35,66,78,551</b>
	<b>LIABILITIES</b>			
1	<b>Non Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Borrowings	13	24,79,646	33,63,871
(b)	Deferred tax liabilities (Net)	14	1,66,109	1,90,354
			<b>26,45,755</b>	<b>35,54,225</b>
2	<b>Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Borrowings	15	3,25,000	3,25,000
(ii)	Other Financial Liabilities	16	13,15,498	7,97,269
(b)	Other Current Liabilities	17	49,06,614	46,71,311
(c)	Provisions	18	12,90,464	2,21,511
(d)	Current Tax Liabilities (Net)		-	13,26,326
			<b>78,37,575</b>	<b>73,41,417</b>
	<b>TOTAL</b>		<b>37,43,22,333</b>	<b>36,75,74,193</b>

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements

As per our report of even date

For D Kothary & Co.,  
Chartered Accountants  
Firm Registration No. 105327

Mukesh D. Jha  
Partner  
Membership No.: 12502  
Place : Mumbai  
Date : 28th May 2019



For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G  
Place : Hyderabad  
Date : 28th May 2019

Company Secretary  
Sadhu Jagannath Shetty  
Pan No. 70GLPS5436R

Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

## Magellanic Cloud Limited (formerly known as South India Projects Limited)

CIN: L72100WB1981PLC034342

Statement of Profit and Loss for the year ended 31st March 2019

Particulars	Notes	2018-2019 Amount In Rs.	2017-2018 Amount In Rs.
Revenue from operations	19	7,40,20,801	6,17,20,699
Other incomes	20	75,49,522	-
<b>Total Revenue</b>		<b>8,15,70,323</b>	<b>6,17,20,699</b>
<b>Expenses:</b>			
Employee benefit expenses	21	5,10,64,330	3,50,23,491
Finance cost	22	3,81,711	1,96,454
Depreciation and amortization expenses	4	13,58,316	5,19,393
Other Expenses	23	1,68,77,145	1,12,80,565
<b>Total Expenses</b>		<b>6,96,81,502</b>	<b>4,70,19,903</b>
<b>Profit before tax</b>		<b>1,18,88,821</b>	<b>1,47,00,795</b>
<b>Tax expense:</b>			
Current tax		42,90,000	38,00,000
Earlier year tax		4,62,614	(72,602)
Deferred tax		(24,245)	1,05,845
<b>Profit for the year</b>		<b>71,60,452</b>	<b>1,08,67,552</b>
Other Comprehensive Income		-	-
Items will not be reclassified to profit & loss		-	-
Items will be reclassified to profit & loss		-	-
<b>Total Comprehensive Income</b>		<b>71,60,452</b>	<b>1,08,67,552</b>
Earning per share on Equity Shares of Rs.10 each - Basic & Diluted	24	0.28	0.43

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements  
As per our report of even date

For D Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mukesh C. Jha  
Partner  
Membership No.: 125024  
Place : Mumbai  
Date : 28th May 2019



For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

Company Secretary  
Sadhu Jagannath Shetty  
Pan No. AGLP55436R

Independent Director  
Nikitha Tiparnapally  
Din No. 07399613  
Place : Hyderabad  
Date : 28th May 2019

Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G

## Magellanic Cloud Limited (formerly known as South India Projects Limited)

CIN: L72100WB1981PLC034342

## Cash Flow Statement For The Year Ended March 31, 2019

Particulars	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss	1,18,88,821	1,47,00,795
<u>Adjustments for :</u>		
Depreciation	13,58,316	5,19,393
Interest Income	(73,80,075)	-
Fixed Assets Write off	52,604	-
Provision for Grtuity	12,90,464	-
Provision for Standard Assets	(2,21,511)	2,21,511
Interest Expenses	3,81,711	1,96,454
<b>Operating Cash Flow Before Changes in Working Capital</b>	<b>73,70,330</b>	<b>1,56,38,154</b>
<b>Changes in current assets and liabilities</b>		
(Increase)/ Decrease in trade receivables	(8,49,817)	(22,81,549)
(Increase)/ Decrease in Loans	(15,96,203)	(5,09,608)
(Increase)/ Decrease in Other Current and Non-Current Assets	(17,44,322)	(33,07,173)
Increase/(Decrease) in Other Financial Liabilities	4,31,293	-
Increase/(Decrease) in Other Current Liabilities	2,35,304	15,40,870
<b>Cash Generated From Operations</b>	<b>38,46,584</b>	<b>1,10,80,693</b>
Payment of Taxes (Net of Refunds)	(87,26,947)	(30,68,324)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(48,80,363)</b>	<b>80,12,369</b>
<b>B. Cash Flow From Investing Activities :</b>		
Payment of property, plant & equipments & Intangibles	(6,03,730)	(59,79,837)
Interest income	73,42,101	-
<b>Net Cash Flow From Investment Activities (B)</b>	<b>67,38,371</b>	<b>(59,79,837)</b>
<b>C. Cash Flow From Financing Activities :</b>		
Dividend Paid (including dividend Tax)	-	(30,29,042)
(Repayment) / Borrowing from financial institutions/Others	(7,97,289)	36,56,860
Financial Expenses	(3,81,711)	(1,96,454)
<b>Net Cash From / (Used In) Financing Activities (C)</b>	<b>(11,79,000)</b>	<b>4,31,364</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>6,79,009</b>	<b>24,63,896</b>
Cash And Cash Equivalents At The Beginning Of The Year	28,47,635	3,83,739
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>35,26,644</b>	<b>28,47,635</b>

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements

As per our report of even date

For Dkothary & Co.,  
Chartered Accountants  
Firm Registration No. 105335W

Mukeesh Latha  
Partner  
Membership No.: 125024  
Place : Mumbai  
Date : 28th May 2019



For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thamma  
Din No. 06554945

Company Secretary  
Sadhu Jagannath Shetty  
Pan No. AGLPS5436R

Independent Director  
Nikitha Tiparnapally  
Din No. 07399613  
Place : Hyderabad  
Date : 28th May 2019

Financial Officer  
Sanjay Chauhan  
Pan No. AFLIC7749G

Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Statement of Changes in Equity for the year ended 31st March 2019

Note A :- Equity share Capital

PARTICULARS	Note	Amount In Rs.
As at 1st April 2017		5,03,33,880
Changes in Equity share capital during the year		-
<b>As at 31st March 2018</b>		<b>5,03,33,880</b>
Changes in Equity share capital during the year		20,13,35,520
<b>As at 31st March 2019</b>	<b>II</b>	<b>25,16,69,400</b>

Note B :- Other Equity

Particulars	Reserves & Surplus			Statutory Reserves	Total Other Equity
	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>Balance as at April 1, 2017</b>	24,00,00,000	3,15,22,620	1,67,68,085	1,02,15,456	29,85,06,161
Profit for the year	-	-	1,08,67,552	-	1,08,67,552
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>24,00,00,000</b>	<b>3,15,22,620</b>	<b>2,76,35,637</b>	<b>1,02,15,456</b>	<b>30,93,73,713</b>
Dividends/Tax on Dividend	-	-	(30,29,042)	-	(30,29,042)
Reversal of Dividends/Tax on Dividend (Short) / excess provision for tax	-	-	-	-	-
Transfer from Retained Earnings	-	-	(21,73,510)	21,73,510	-
<b>Balance as at March 31, 2018</b>	<b>24,00,00,000</b>	<b>3,15,22,620</b>	<b>2,24,33,084</b>	<b>1,23,88,966</b>	<b>30,63,44,671</b>
Profit for the year	-	-	71,60,452	-	71,60,452
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>24,00,00,000</b>	<b>3,15,22,620</b>	<b>2,95,93,536</b>	<b>1,23,88,966</b>	<b>31,35,03,122</b>
Dividends/Tax on Dividend	-	-	-	-	-
On account of Bonus Issue	(20,13,35,520)	-	-	-	(20,13,35,520)
Reversal of Dividends/Tax on Dividend	-	-	-	-	-
Transfer from Retained Earnings	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>3,86,64,480</b>	<b>3,15,22,620</b>	<b>2,95,93,536</b>	<b>1,23,88,966</b>	<b>11,21,69,602</b>

As per our report of even date

For Dkothary & Co.,  
Chartered Accountants  
Firm Registration No. 105335W  
  
Mukesh A. Thakur  
Partner  
Membership No.: 125024



Place : Mumbai  
Date : 28th May 2019

For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945  
  
Company Secretary  
Sudhi Jagannath Shetty  
Pan No. AGLP5436R  
  
Independent Director  
Nikitha Tiparnapally  
Din No. 07399613  
  
Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G

Place : Hyderabad  
Date : 28th May 2019

**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Notes to the financial statements for the year ended March 31, 2019**

**1. Company overview**

South India Projects Limited ("the company") has its place of business is in Hyderabad and registered office is in Kolkatta.

**2. Basis of preparation of financial statements**

**a) Accounting convention**

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016

**b) Basis of measurement**

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

**c) Key accounting judgement, estimates and assumptions**

The preparation of the financial statements required the management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

**d) Functional and presentation currency**

The functional and presentation currency of the Company is the Indian Rupee.

**e) Foreign currency transaction**

Foreign currency transactions are translated at the exchange rate that approximates the prevalent exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**3. Significant Accounting Policies**

The Company has applied the following accounting policies to all periods presented in the financial statements.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the financial statements for the year ended March 31, 2019**

**a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts exclusive of excise duty receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

**Sale of Goods and services**

Sales are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer as per terms of contract. Income and fees from services are accounted as per terms of relevant contractual agreements/arrangements.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

**Interest Income**

Interest income is recognised on accrual basis as per the terms of relevant contracts or by using the effective interest method, where applicable.

**Investment income**

Incomes from investments are accounted on an accrual basis.

**b) Property, Plant and Equipment**

**Transition to Ind AS:**

The Company has elected to continue with the net carrying value of all its property, plant and equipment recognized as of April 1, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost.

i) Recognition and measurement: Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to an item of fixed asset are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which they are incurred.

ii) Depreciation: Land is not depreciated. Depreciation of other items of Property, Plant and Equipment are provided on a straight line basis over the estimated useful life of the asset or as prescribed in Schedule II to the Companies Act, 2013 or based on technical evaluation of the asset. Estimated useful life of items of property, plant and equipment are as follows:

Type of Asset	Estimated Useful Life
Freehold Land	N.A
Furniture & Fittings	10 years
Computers & Printers	3 years
Motor Vehicles	8 years
Office Equipment's	5 years

Handwritten signatures and a circular stamp of Magellanic Cloud Limited.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Notes to the financial statements for the year ended March 31, 2019**

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company assesses at each balance sheet date whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised within operating profit in the Income statement.

**c) Financial Instruments**

**Financial Assets**

The Company classifies its financial assets in the following categories:

- i) **Financial assets at amortised cost** - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss if any.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

- ii) **Equity investments/Investment in LLP** - Investment in subsidiaries and LLP are stated at cost. All other equity investments are measured at fair value, except for certain unquoted equity investments which are carried at cost where the fair value of these investments cannot be reliably measured.

- iii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)** -

For investments which are not held for trading purposes and where the company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

- iv) **Financial assets at Fair Value through Profit and loss (FVTPL)** - Financial assets other than the equity investments and investment classified as FVTOCI are measured at FVTPL. These include surplus funds invested in mutual funds etc.

- v) **Impairment of financial assets** - The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Notes to the financial statements for the year ended March 31, 2019**

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**d) Employee benefits**

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans:

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to Provident Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plan:**

**Gratuity:**

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

The image shows several handwritten signatures in blue ink. To the right, there is a circular blue stamp for 'D. KOTHARY & CO. CHARTERED ACCOUNTANTS' with 'MUMBAI' in the center. Another circular stamp is partially visible on the left, containing the text 'MAGELLANIC CLOUD LIMITED'.

**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Notes to the financial statements for the year ended March 31, 2019**

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**e) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized 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.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre- tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**f) Income Tax**

**a) Current Income Tax**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

**b) Deferred Tax:**

Deferred tax is provided using the balance sheet approach on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity, in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

**g) Leases**

**As a lessee**

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Notes to the financial statements for the year ended March 31, 2019**

period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised as income in the Statement of profit or loss on a straight- line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**h) Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

**i) Earnings per share**

The Company presents Basic and Diluted earnings per share data for its equity shares. Basic and Diluted earnings per share is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

**j) Contingent Liabilities**

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

**k) Borrowing Costs**

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company

Handwritten signatures and a circular stamp of Magellanic Cloud Limited.



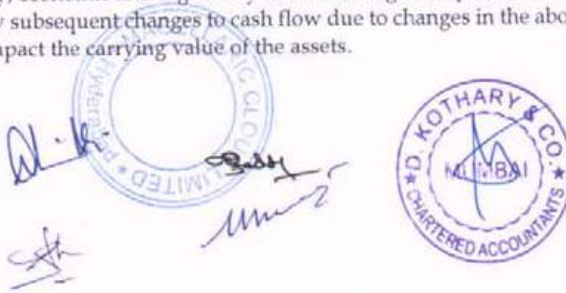
**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Notes to the financial statements for the year ended March 31, 2019**

during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

**1) Useful economic lives and impairment of other assets**

Property, plant and equipment other than mining rights are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Company also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in prices, the Company's business plans and changes in regulatory environment are taken into consideration.

The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.



The image shows several handwritten signatures in blue ink. To the right is a circular official stamp of D. Kothary & Co. Chartered Accountants, Mumbai. The stamp contains the text 'D. KOTHARY & CO.' at the top, 'MUMBAI' in the center, and 'CHARTERED ACCOUNTANTS' at the bottom, with two stars on either side of the bottom text.

Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the Financial Statements for the year ended 31st March, 2019

**Note 4: Property, Plant & Equipment**

Particulars	Gross Block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2018	Additions	Deductions	Balance as at 1 April, 2018	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 Mar, 2019	Balance as at 31 March, 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>								
Land	52,604	-	52,604	-	-	-	-	52,604
Computer & Printer	15,95,453	5,03,730	-	3,66,341	6,25,869	-	9,92,210	11,06,972
Office equipment	3,81,924	-	20,000	33,277	68,766	-	1,02,042	12,29,112
Vehicle	54,76,568	-	-	2,30,772	6,30,616	-	8,81,388	2,59,882
Furniture and Fixture	43,500	1,20,000	-	1,970	13,065	-	15,035	45,95,180
<b>Total</b>	<b>75,50,049</b>	<b>6,23,730</b>	<b>72,604</b>	<b>6,32,360</b>	<b>13,58,316</b>	<b>-</b>	<b>19,90,676</b>	<b>61,10,498</b>
Previous Year	15,70,212	59,79,837	-	1,12,967	5,19,393	-	6,32,360	69,17,689



*[Handwritten signature]*  
MAGELLANIC CLOUD LIMITED  
Hyderabad

Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the financial statements for the year ended March 31, 2019

PARTICULARS	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>Note 5 :- Investments (Non Current)</b>		
Investment in Wholly owned Subsidiary (Non Trade) 1,150 common stock of JNIT Technologies INC of 1\$ each	26,00,00,000	26,00,00,000
<b>Total</b>	<b>26,00,00,000</b>	<b>26,00,00,000</b>
<b>Note 6 :- Other Non Current Assets (Unsecured, Considered Good)</b>		
Security deposits	23,06,000	20,56,000
<b>Total</b>	<b>23,06,000</b>	<b>20,56,000</b>
<b>Note 7 :- Trade Receivables (Unsecured)</b>		
Considered Good	61,88,636	53,38,819
Considered Doubtful	-	-
Less : Allowance for Bad and Doubtful Debts	-	-
<b>Total</b>	<b>61,88,636</b>	<b>53,38,819</b>
<b>Note 8 :- Cash And Cash Equivalents</b>		
Balances with banks (i) In current accounts	34,99,904	28,33,567
Cash on hand	26,740	14,069
<b>Total</b>	<b>35,26,644</b>	<b>28,47,635</b>
<b>Note 9 :- Loans (Current)</b>		
Inter Corporate Deposit	9,02,38,519	8,86,04,342
<b>Total</b>	<b>9,02,38,519</b>	<b>8,86,04,342</b>
<b>Note 10 :- Other Current Assets</b>		
Balances with government authorities	31,03,858	12,45,791
Prepaid Expenses	1,62,000	5,33,910
Other receivables	38,171	-
Advance to staff	-	10,000
<b>Total</b>	<b>33,04,029</b>	<b>18,09,707</b>




Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the financial statements for the year ended March 31, 2019

**NOTE 11 (a) :- EQUITY CAPITAL**

PARTICULARS	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>AUTHORISED SHARE CAPITAL</b>		
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of Rs.10 each	30,00,00,000	30,00,00,000
<b>Total</b>	<b>30,00,00,000</b>	<b>30,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
2,51,66,940 (Previous Year 50,33,388) Equity Shares of Rs.10 each fully paid up	25,16,69,400	5,03,33,880
<b>Total</b>	<b>25,16,69,400</b>	<b>5,03,33,880</b>

NOTE 11 (b) :- The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity shares is entitle to one vote per share.

NOTE 11 (c) :- The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	Amount In Rs.	No. of shares held	Amount In Rs.
<b>Equity Shares</b>				
Number of shares at the beginning	50,33,388	5,03,33,880	50,33,388	5,03,33,880
Less: Buy Back	-	-	-	-
Add : Bonus issue	2,01,33,552	20,13,35,520	-	-
<b>Number of shares at the end</b>	<b>2,51,66,940</b>	<b>25,16,69,400</b>	<b>50,33,388</b>	<b>5,03,33,880</b>

NOTE 11 (d) :- Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% holding	No. of shares held	% holding
<b>Equity shares with voting rights</b>				
Joseph Sudbeer Reddy Thumma	1,05,96,730	42.11%	21,19,346	42.11%
Jagan Mohan Reddy Thumma	23,50,000	9.34%	4,70,000	9.34%
Dennis Reddy Thumma	16,00,000	6.36%	3,20,000	6.36%
Innamma Reddy Thumma	16,00,000	6.36%	3,20,000	6.36%





Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the financial statements for the year ended March 31, 2019

PARTICULARS	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>Note 12: Other Equity</b>		
General Reserve	3,15,22,620	3,15,22,620
Securities premium	24,00,00,000	24,00,00,000
Less : Transfer in pursuant to Bonus issue	20,13,35,520	-
	3,86,64,480	24,00,00,000
Statutory Reserve	1,23,88,966	1,02,15,456
Add: Transfer from profit and loss account	-	21,73,510
	1,23,88,966	1,23,88,966
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	2,24,33,084	1,67,68,085
Add: Profit / (Loss) for the year	71,60,452	1,08,67,352
	2,95,93,536	2,76,35,637
Less:		
Transfer to statutory reserve	-	21,73,510
Interim Dividend	-	25,16,694
Tax on Dividend	-	5,12,348
	2,95,93,536	2,24,33,084
<b>Total</b>	<b>11,21,69,602</b>	<b>30,63,44,671</b>
<b>Note 13 :- Borrowings (Non Current)</b>		
<b>Term loans (Secured)</b>		
Vehicle Loan from financial institutions	24,79,646	33,63,871
<b>Total</b>	<b>24,79,646</b>	<b>33,63,871</b>
- Vehicle Loan from Cholamandalam Investment and finance Company Ltd is to be paid in 48 equal monthly installment carrying interest rate 13% and maturity at February 2021.		
- Vehicle Loan from Kotak Mahindra Prime Ltd is to be paid in 60 equal monthly installment carrying interest rate 9.52% and maturity at January 2023.		
<b>NOTE 14 :- Deferred Tax Liability (net)</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On account of fixed assets	1,66,109	1,90,354
<b>Total</b>	<b>1,66,109</b>	<b>1,90,354</b>





Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the financial statements for the year ended March 31, 2019

PARTICULARS	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>Note 15 :- Borrowings (Current)</b>		
Unsecured From Director	3,25,000	3,25,000
<b>Total</b>	<b>3,25,000</b>	<b>3,25,000</b>
<b>Note 16 :- Other Financial Liabilities (Current)</b>		
(a) Current maturities of long term borrowings	8,84,205	7,97,269
(b) Unclaimed dividends	4,31,293	-
<b>Total</b>	<b>13,15,498</b>	<b>7,97,269</b>
<b>Note 17 :- Provisions (Current)</b>		
Provision for Standard Assets	-	2,21,511
Provision for Gratuity	12,90,464	-
<b>Total</b>	<b>12,90,464</b>	<b>2,21,511</b>
<b>Note 18 :- Other Current Liabilities (Current)</b>		
(a) Statutory liabilities	8,26,715	6,73,432
(b) Salary Payable	32,99,374	29,82,335
(c) Other Payable	7,80,525	10,15,544
<b>Total</b>	<b>49,06,614</b>	<b>46,71,311</b>



Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the financial statements for the year ended March 31, 2019

PARTICULARS	2018-2019 Amount in Rs.	2017-2018 Amount in Rs.
<b>Note 19 :- Revenue from Operations</b>		
Service Income	7,40,20,801	5,43,78,598
Interest Income	-	73,42,101
<b>Total</b>	<b>7,40,20,801</b>	<b>6,17,20,699</b>
<b>Note 26 :- Other Incomes</b>		
Interest Income	73,80,075	-
Exchange Gain	1,69,447	-
<b>Total</b>	<b>75,49,522</b>	<b>-</b>
<b>Note 20 :- Employee Benefit Expenses</b>		
Salary, wages, bonus and allowances	4,62,27,008	3,17,93,417
Contribution to Provident Fund and Other Funds	30,66,206	13,78,370
Employee welfare and other amenities	17,71,116	18,51,704
<b>Total</b>	<b>5,10,64,330</b>	<b>3,50,23,491</b>

*Sddy*  
*[Signature]*




Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Notes to the financial statements for the year ended March 31, 2019

PARTICULARS	2018-2019 Amount in Rs.	2017-2018 Amount in Rs.
<b>Note 21 :- Finance Costs</b>		
Interest on Vehicle Loan	3,81,711	1,96,454
<b>Total</b>	<b>3,81,711</b>	<b>1,96,454</b>
<b>Note 22 :- Other Expenses</b>		
Audit Fees	2,10,000	1,90,000
Bank charges	36,133	19,741
Sundry Expenses	1,95,560	1,79,631
Advertisement & Business Promotion	1,55,295	87,270
Professional Fees	16,00,803	13,76,263
Rates & Taxes	23,45,373	7,77,694
Rent Expenses	70,84,000	46,27,263
Telephone & Internet Charges	16,20,080	8,45,332
Insurance Vehicle	36,071	39,758
Electricity Expenses	17,09,964	9,18,591
Fixed Assets Write off	52,604	-
Foreign Exchange Fluctuation	-	34,382
Printing Expenses	1,33,653	59,781
Repairs & Maintenance	5,99,903	4,60,843
Provision for Standard Assets	(2,21,511)	2,21,511
Conveyance & Travelling	13,19,216	14,42,506
<b>Total</b>	<b>1,68,77,145</b>	<b>1,12,80,565</b>

*Sddy*  
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## Magellanic Cloud Limited (formerly known as South India Projects Limited)

CIN: L72100WB1981PLC034342

Notes to the Financial Statements for the year ended 31st March, 2019

## 23 Related party transactions

As per Indian Accounting Standard (Ind As 24), the disclosures of transactions with the related parties are given below

## 23.1 Relationships during the year

## (A) Key Managerial Personnel

Jagan Mohan Reddy Thumma  
Joseph Sudheer Reddy Thumma  
Sanjay Mahendra Chauhan (CFO)

## (B) Wholly owned subsidiary

JNIT Technologies INC (Overseas)

## 23.2 Related party transactions

## (A) Transactions with related parties during the year :

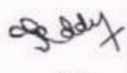



Particulars	March 31, 2019	March 31, 2018
<b>Receivables</b>		
JNIT Technologies Inc	61,88,636	33,38,819
<b>Service Income</b>		
JNIT Technologies Inc	7,40,20,801	5,43,78,598
<b>Director Remuneration</b>		
Jagan Mohan Reddy Thumma	4,80,000	4,80,000
Sanjay Mahendra Chauhan	21,60,000	21,60,000

## 24 Earnings per share

Particulars	March 31, 2019	March 31, 2018
Net profit after tax as per statement of profit and loss	71,60,452	1,08,67,552
Weighted average number of equity shares outstanding during the year	2,51,66,940	2,51,66,940
Nominal value per equity share	10	10
Basic & Diluted Earnings per share	0.28	0.43

25 In the opinion of the Board, the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet.

26 On the basis of the information available with the company, there are no micro and small scale business enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2019.

Magellanic Cloud Limited (formerly known as South India Projects Limited)  
CIN: L72100WB1981PLC034342  
Notes to the Financial Statements for the year ended 31st March, 2019

27 Previous Year figures

Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

From true extract of Books of Accounts

For D. Kothary & Co  
Chartered Accountants  
Firm Registration No. 1053351

  
Mukesh U. Jha  
Partner

Membership No.: 125024

Place: Mumbai  
Date: 28th May 2019



For and on behalf of Board of Directors

  
Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554943

  
Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

Place : Hyderabad  
Date: 28th May 2019

  
Company Secretary  
Sachu Jagannath Shetty  
Pan No. AGLP55436R

  
Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G



# **Magellanic Cloud Limited**

*(Formerly known as South India Projects Limited)*

## **CONSOLIDATED ANNUAL REPORT**

**FINANCIAL YEAR  
2018-19**



## D. KOTHARY & CO.

Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of  
Magellanic Cloud Limited (Formerly known as South India Projects Limited)

#### Report on the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of Magellanic Cloud Limited (herein after referred as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

##### Basis of Opinion

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

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. There are no key audit matters to be disclosed.

##### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the



75/76, 'C' Wing, 7th Floor, Mittal Court, Nariman Point, Mumbai - 400 021

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## D. KOTHARY & CO.

### Chartered Accountants

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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group 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 the Group.

#### 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. 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.

#### Other Matter

We have not audited the financial statements of a subsidiary namely INIT Technologies INC, whose financial statements / financial information reflect total assets of Rs. 4,982.39 lakhs as at 31st March, 2019, total revenues of Rs. 20,295.83 lakhs and net cash flows amounting to Rs. 43.32 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a subsidiary in the 'other matter' paragraph, we report, to the extent applicable, that:



75/76, 'C' Wing, 7th Floor, Mittal Court, Nariman Point, Mumbai - 400 021

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## D. KOTHARY & CO.

Chartered Accountants

- (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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules there under.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group companies are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 161(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of a subsidiary, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements do not have any pending litigations which has impact on the consolidated financial position of the Group.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There is no amount due to transfer to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2019.

For D. Kothary & Co.  
Chartered Accountants  
(Firm Registration No. 105335W)

  
Mukesh U. Jha  
Partner  
Membership No. 125024  
Place: Mumbai  
Date: 28<sup>th</sup> May, 2019





## D. KOTHARY & CO.

Chartered Accountants

### Annexure - A

To the Independent Auditor's Report on the Consolidated Ind AS Financial Statements of Magellanic Cloud Limited

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

We have audited the internal financial controls over financial reporting of Magellanic Cloud Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in 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"). 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 respective 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, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system 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 consolidated Ind AS 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 control system with reference to financial statements.



75/76, 'C' Wing, 7th Floor, Mittal Court, Nariman Point, Mumbai - 400 021

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## D. KOTHARY & CO.

### Chartered Accountants

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls 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 control 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.

#### Opinion

In our opinion, the Company, have in all material respects, an adequate internal financial control system with reference to consolidated financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2019, based on the internal controls with reference to financial statements criteria established by the Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For D.Kothary & Co  
Chartered Accountants  
(Firm Registration No. 105335W)

  
Mukesh C. Jha  
Partner  
Membership No. 125024  
Place: Mumbai  
Date: 28<sup>th</sup> May 2019



**Magellanic Cloud Limited**  
(formerly known as South India Projects Limited)  
CIN: L72100WB1981PLC034342  
Consolidated Balance Sheet As at 31st March 2019

Sr. No.	Particulars	Notes	As at March 31, 2019 Amount in Rs.	As at March 31, 2018 Amount in Rs.
<b>I.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	4	1,24,60,251	1,43,77,801
	(b) Goodwill on Consolidation		17,19,37,121	17,19,36,885
	(c) Other non-current assets	5	49,85,004	58,48,079
			<b>18,93,82,376</b>	<b>19,01,60,765</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Trade receivables	6	89,01,08,483	34,34,74,647
	(ii) Cash and cash equivalents	7	1,04,04,001	73,02,326
	(iii) Loans	8	13,13,47,772	12,05,50,817
	(b) Current Tax Assets (net)		26,48,007	-
	(c) Other current assets	9	5,44,18,785	3,49,10,650
			<b>58,89,27,066</b>	<b>50,63,28,469</b>
	<b>TOTAL</b>		<b>77,83,09,441</b>	<b>69,64,89,234</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	10	25,16,69,400	5,03,33,880
	(b) Other Equity	11	22,84,67,761	34,40,12,450
			<b>48,01,37,161</b>	<b>39,43,46,330</b>
	<b>LIABILITIES</b>			
<b>1</b>	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities:			
	(i) Borrowings	12	37,55,995	26,81,241
	(b) Deferred tax liabilities (Net)	13	1,68,109	1,90,354
			<b>39,22,104</b>	<b>28,71,595</b>
<b>2</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings			
	(ii) Trade Payable	14	10,40,73,653	3,25,000
	(a) total outstanding dues of MSE enterprises		-	-
	(b) total outstanding dues of creditors other than MSE Enterprises		4,06,23,255	5,38,95,737
	(iii) Other Financial Liabilities	15	20,53,209	14,62,410
	(b) Other Current Liabilities	16	12,24,67,663	20,63,73,542
	(c) Provisions	17	12,90,464	2,21,811
	(d) Current Tax Liabilities (Net)		2,37,37,930	3,46,92,909
			<b>29,42,58,179</b>	<b>29,66,70,909</b>
	<b>TOTAL</b>		<b>77,83,09,441</b>	<b>69,64,89,234</b>

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements  
As per our report of even date

For Dkothary & Co.  
Chartered Accountants  
Firm Registration No. 103333M

Mulankal Jha  
Partner  
Membership No. 123024

Place: Mumbai  
Date: 28th May 2019



For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy, Thamma  
Din No. 06584942

Chief Financial Officer  
Sanjay Chaudhan  
Pan No. APLFC/77492  
Place: Hyderabad  
Date: 28th May 2019

Company Secretary  
Sudha Jagannath Shetty  
Pan No. AGL/2594302  
Independent Director  
Nikhil Tipannapally  
Pan No. 07709623

## Magellanic Cloud Limited (formerly known as South India Projects Limited)

CIN: L22100WB1981PLC034342

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

Particulars	Notes	2018-19	2017-18
		Amount in Rs.	Amount in Rs.
Revenue from operations	18	2,02,95,83,228	1,81,12,69,865
Other incomes	19	75,56,936	-
<b>Total Revenue</b>		<b>2,03,71,40,164</b>	<b>1,81,12,69,865</b>
Expenses:			
Employee benefit expenses	20	1,73,74,08,749	1,35,39,94,268
Finance cost	21	42,76,258	19,72,109
Depreciation and amortization expenses	4	39,04,112	26,79,073
Other Expenses	22	17,69,07,465	18,14,23,266
<b>Total Expenses</b>		<b>1,94,24,96,544</b>	<b>1,56,18,68,716</b>
<b>Profit before tax</b>		<b>9,46,43,600</b>	<b>6,94,01,149</b>
Tax expense:			
Current tax		2,84,18,353	2,52,10,718
Earlier year tax		(1,23,36,826)	(72,402)
Deferred tax		(24,245)	1,05,845
<b>Profit for the year</b>		<b>7,85,86,118</b>	<b>6,41,57,166</b>
Other Comprehensive Income			
Items will not be reclassified to profit & loss		-	-
Items will be reclassified to profit & loss			
Exchange differences in translating the financial statements of foreign operations		72,04,713	(1,21,100)
<b>Total Comprehensive Income</b>		<b>8,57,90,831</b>	<b>4,43,16,293</b>
Earning per share on Equity Shares of Rs. 10 each - Basic & Diluted	24	3.12	1.75

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements  
As per our report of even date

For D Kothary & Co  
Chartered Accountants  
Firm Registration No. 105335M

Mukesh D Jha  
Partner  
Membership No. 125024



Place: Mumbai  
Date: 28th May 2019

For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

Company Secretary  
Sudhu Jagannath Shetty  
Pan No. AGL3554368

Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

Chief Financial Officer  
Sanjay Chaudhan  
Pan No. AFLPC7749G

Place: Hyderabad  
Date: 28th May 2019

Magellanic Cloud Limited (formerly known as South India Projects Limited)  
CIN: 172100WB1981PLC034342  
Consolidated Cash Flow Statement For The Year Ended March 31, 2019

Particulars	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss	9,46,43,600	8,94,01,149
<u>Adjustments for:</u>		
Depreciation	39,04,112	24,79,073
Interest Income	(73,90,075)	-
Gratuity Provision	12,90,464	-
Provision for Standard Assets	(2,21,511)	2,21,511
Loss on sale of Assets	32,604	1,72,590
Interest Expenses	42,76,238	19,72,109
<b>Operating Cash Flow Before Changes in Working Capital</b>	<b>9,63,65,432</b>	<b>7,42,46,433</b>
<u>Changes in current assets and liabilities</u>		
(Increase)/ Decrease in trade receivable	(4,46,33,846)	(6,70,61,719)
(Increase)/ Decrease in Loans	(1,07,96,855)	1,01,48,454
(Increase)/ Decrease in Other Current and Non-Current Assets	(2,06,47,071)	(3,27,80,411)
Increase / (Decrease) in Other Financial Liabilities	4,31,295	-
Increase / (Decrease) in Other Current Liabilities	(7,69,06,807)	9,78,47,527
Increase / (Decrease) in Other Trade payable	(1,32,70,482)	2,91,29,402
<b>Cash Generated From Operations</b>	<b>(6,92,57,636)</b>	<b>11,13,29,683</b>
Payment of Taxes (Net of Refunds)	(2,96,84,713)	(3,55,41,290)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(9,89,42,350)</b>	<b>7,59,88,391</b>
<b>B. Cash Flow From Investing Activities :</b>		
Payment of property, plant & equipments & Intangibles	(15,34,758)	(76,35,345)
Interest income	73,90,075	-
<b>Net Cash Flow From Investment Activities (B)</b>	<b>58,55,317</b>	<b>(76,35,345)</b>
<b>C. Cash Flow From Financing Activities :</b>		
Dividend Paid (including dividend Tax)	-	(30,29,042)
(Repayment) / Borrowing from financial institutions / Other Financial Expenses	10,23,84,916	(5,83,79,453)
Interest Expenses	(42,76,238)	(19,72,109)
<b>Net Cash From / (Used In) Financing Activities (C)</b>	<b>8,81,08,678</b>	<b>(6,35,80,601)</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>80,13,645</b>	<b>47,72,841</b>
Cash And Cash Equivalents At The Beginning Of The Year	33,92,356	6,19,914
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>1,04,09,001</b>	<b>53,92,356</b>

The accompanying significant accounting policies and notes form an integral part of the standalone financial statements

As per our report of even date

For Dkothary & Co.  
Chartered Accountants  
Firm Registration No. 1053354A

Mukesh K. Dtr.  
Partner  
Membership No. 125024



Place: Mumbai  
Date: 28th May 2019

For and on behalf of the Board of Directors:

Managing Director: Jagan Mohan Reddy Thamma  
Dir. No. 06354945  
Company Secretary: Sadra Jagannath Shetty  
Dir. No. AGLPSS4346

Independent Director: Nikitba Tiparnapark  
Dir. No. 07399613  
Joint Financial Officer: Sapna Chauhan  
Dir. No. AFI PC7749G

Place: Hyderabad  
Date: 28th May 2019

Magellanic Cloud Limited (formerly known as South India Projects Limited)  
 Consolidated Statement of Changes in Equity for the year ended 31st March 2019

Note A - Equity share Capital

PARTICULARS	Note	Amount in ₹
As at 31st April 2017		3,00,00,000
Changes in Equity share capital during the year		
As at 31st March 2018		3,00,00,000
Changes in Equity share capital during the year		
As at 31st March 2019	01	25,00,00,000

Note B - Other Equity

Particulars	Reserves & Surplus			Foreign Currency Translation Reserve	Statutory Reserves	Total Other Equity
	Securities Premium	General Reserve	Residual Earnings			
Balance as at 1st April 2017	21,00,00,000	1,11,22,437	2,01,48,736	26,377	1,22,15,200	3,57,11,750
Profits for the year			8,41,37,184			8,41,37,184
Other Comprehensive Income for the year, net of Income Tax				3,33,018		3,33,018
Total Comprehensive Income for the year	24,00,00,000	1,11,22,437	8,49,78,920	3,33,018	1,22,15,200	14,16,59,675
Dividends / Tax on Dividends			(8,58,242)			(8,58,242)
Reserves of Subsidiaries / Tax on Dividends						
Transfers from Reserves			(11,71,510)		21,71,510	
Balance as at March 31, 2018	24,00,00,000	1,11,22,437	8,38,07,408	3,33,018	1,22,15,200	14,15,88,163
Profits for the year			7,81,88,118			7,81,88,118
Other Comprehensive Income for the year, net of Income Tax				25,04,773		25,04,773
Total Comprehensive Income for the year	34,00,00,000	1,11,22,437	8,16,95,526	25,04,773	2,22,88,900	14,46,12,636
Dividends / Tax on Dividends						
Reserves of Subsidiaries / Tax on Dividends						
Transfers to Reserves of Subsidiaries	(22,11,91,200)					(22,11,91,200)
Balance as at March 31, 2019	34,00,00,000	1,11,22,437	8,16,95,526	25,04,773	1,22,88,900	14,46,12,636

As per the report of audit firm

For M/s. Kothary & Co.  
 Chartered Accountants  
 Firm Reg. No. 100793/W  
 Mumbai - 400 002  
 Membership No. (2012)



For and on behalf of the Board of Directors  
 Managing Director  
 Jagad Mohan Reddy, Chairman  
 Tax No. 26524118  
 Director/Secretary  
 Nishita Tipirneni  
 Tax No. 0299412



Company Secretary  
 Smita Jagannath Hirry  
 Tax No. 162 200404  
 Sanjay K. Chavan  
 Chartered Accountant  
 Tax No. AUP/2780

Place: Mumbai  
 Date: 30th Mar 2019

Place: Hyderabad  
 Date: 28th Mar 2019

**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Consolidated Notes to the financial statements for the year ended March 31, 2019**

**1. Company overview**

South India Projects Limited ("the company") has its place of business in Hyderabad and registered office is in Kolkata.

**2. Basis of preparation of financial statements**

**a) Accounting convention**

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016

**b) Basis of measurement**

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

**Subsidiaries included in consolidation**

Name of Enterprises	Country of incorporation	Nature of Business	Controlling Interest
JNIT Technologies INC	USA	IT Consultancy	100%

**c) Key accounting judgement, estimates and assumptions**

The preparation of the financial statements required the management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period; or in the period of the revision and future periods if the revision affects both current and future period.

**d) Functional and presentation currency**

The functional and presentation currency of the Company is the Indian Rupee

**e) Foreign currency transaction**

Foreign currency transactions are translated at the exchange rate that approximates the prevalent exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Non-monetary assets and liabilities


 The bottom of the page features several handwritten signatures and official stamps. On the left, there are three distinct signatures. In the center, there is a circular blue stamp with the text 'MAGELLANIC CLOUD LIMITED' around the perimeter and 'KOLKATA' at the bottom. To the right of this is another circular blue stamp for 'D. KOTHARY & CO. CHARTERED ACCOUNTANTS' with 'MUMBAI' in the center.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Consolidated Notes to the financial statements for the year ended March 31, 2019**

denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**3. Significant Accounting Policies**

The Company has applied the following accounting policies to all periods presented in the financial statements.

**Basis of Consolidation**

**Subsidiary**

The consolidated financial statements incorporate the results of South India Projects Limited and its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group. Intra-Group balances and transactions, and any unrealized income and expenses arising from intra- Group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated unless costs cannot be recovered.

**a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts exclusive of excise duty receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

**Sale of Goods and services**

Sales are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer as per terms of contract. Income and fees from services are accounted as per terms of relevant contractual agreements/arrangements.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

**Interest Income**

Interest income is recognised on accrual basis as per the terms of relevant contracts or by using the effective interest method, where applicable.

**Investment income**

Incomes from investments are accounted on an accrual basis.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Consolidated Notes to the financial statements for the year ended March 31, 2019**

**b) Property, Plant and Equipment**

**Transition to Ind AS:**

The Company has elected to continue with the net carrying value of all its property, plant and equipment recognized as of April 1, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost.

- i) **Recognition and measurement:** Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to an item of fixed asset are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which they are incurred.
- ii) **Depreciation:** Depreciation of other items of Property, Plant and Equipment are provided on a straight line basis over the estimated useful life of the asset or as prescribed in Schedule II to the Companies Act, 2013 or based on technical evaluation of the asset. Estimated useful life of items of property, plant and equipment are as follows:

Type of Asset	Estimated Useful Life
Freehold Land	N.A
Furniture & Fittings	10 years
Computers & Printers	3 years
Motor Vehicles	8 years
Office Equipment's	5 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company assesses at each balance sheet date whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised within operating profit in the income statement.

**c) Financial Instruments**

**Financial Assets**

The Company classifies its financial assets in the following categories:-

- i) **Financial assets at amortised cost** - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Consolidated Notes to the financial statements for the year ended March 31, 2019**

measured initially at fair value which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss if any.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

- ii) **Equity investments** - Investment in subsidiaries/associates are stated at cost. All other equity investments are measured at fair value, except for certain unquoted equity investments which are carried at cost where the fair value of these investments cannot be reliably measured.
- iii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)** – For investments which are not held for trading purposes and where the company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.
- iv) **Financial assets at Fair Value through Profit and loss (FVTPL)** - Financial assets other than the equity investments and investment classified as FVTOCI are measured at FVTPL. These include surplus funds invested in mutual funds etc.
- v) **Impairment of financial assets** - The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**d) Employee benefits**

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans:

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to Provident Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Consolidated Notes to the financial statements for the year ended March 31, 2019**

The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plan:**

**Gratuity:**

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**e) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized 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.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Handwritten signatures and a circular stamp of Magellanic Cloud Limited.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Consolidated Notes to the financial statements for the year ended March 31, 2019**

**f) Income Tax**

**a) Current Income Tax**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

**b) Deferred Tax:**

Deferred tax is provided using the balance sheet approach on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity, in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

**g) Leases**

**As a lessee**

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**h) Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.



**Magellanic Cloud Limited (formerly known as South India Projects Limited)**  
**Consolidated Notes to the financial statements for the year ended March 31, 2019**

**i) Earnings per share**

The Company presents Basic and Diluted earnings per share data for its equity shares. Basic and Diluted earnings per share is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

**j) Contingent Liabilities**

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

**k) Borrowing Costs**

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

**l) Useful economic lives and impairment of other assets**

Property, plant and equipment other than mining rights are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Company also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in prices, the Company's business plans and changes in regulatory environment are taken into consideration.

The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.




Magellanic Cloud Limited (formerly known as South Indus Projects Limited)  
Consolidated Notes to the Financial Statements for the year ended 31st March 2019

**Notes 8: Property, Plant & Equipment**

Particulars	Costs Stock				Accumulated Depreciation				Net Book		
	Balance as at 1 April 2018	Additions	Disposals/Adjustment	Balance as at 31 Mar 2019	Balance as at 1 April 2018	Depreciation/ amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 Mar 2019	Balance as at 31 Mar 2019	Balance as at 31 March 2019	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Equipment Assets</b>											
Land	72,000		91,000							163,000	
Computer & Printer	34,42,607	8,74,000	(2,31,000)	40,85,607	25,27,000	12,30,000	(4,26,500)	36,30,100	(20,000)	36,10,100	
Motor vehicles	3,91,000		90,000	3,01,000	55,270	30,700		1,11,042	(20,000)	2,80,958	
Tools	1,12,27,000	5,00,500	(2,09,500)	1,14,18,000	28,16,000	16,90,700	(1,82,000)	47,26,700	(1,46,000)	16,80,000	
Furniture and Fixtures	50,51,000	1,50,000	(2,60,000)	49,41,000	10,65,000	6,47,200	(40,250)	25,11,000	(10,11,000)	15,00,000	
<b>Total</b>	<b>1,15,81,607</b>	<b>15,74,500</b>	<b>(2,80,500)</b>	<b>1,28,75,607</b>	<b>46,68,170</b>	<b>29,98,100</b>	<b>(4,08,750)</b>	<b>1,24,69,000</b>	<b>(24,60,000)</b>	<b>1,00,09,000</b>	

**Previous Year:**

Particulars	Costs Stock				Accumulated Depreciation				Net Book		
	Balance as at 1 April 2017	Additions	Disposals/Adjustment	Balance as at 31 Mar 2018	Balance as at 1 April 2017	Depreciation/ amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 Mar 2018	Balance as at 31 Mar 2018	Balance as at 31 March 2017	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Equipment Assets</b>											
Land	72,000			72,000						72,000	
Computer & Printer	41,00,000	1,29,000		42,29,000	21,11,200	2,41,000		23,52,200	(24,10,000)	18,19,000	
Motor vehicles	40,000	3,05,000		3,45,000	1,000	2,700		3,47,700	(50,000)	2,97,700	
Tools	45,50,000	14,34,500	1,05,000	1,10,27,000	16,27,000	10,20,700	(40,000)	26,07,000	(21,50,000)	88,77,000	
Furniture and Fixtures	11,70,000	7,65,000		19,35,000	8,09,000	6,00,000		25,14,000	(20,000)	19,15,000	
<b>Total</b>	<b>1,10,82,000</b>	<b>25,33,500</b>	<b>1,10,000</b>	<b>1,36,25,500</b>	<b>25,48,200</b>	<b>18,64,700</b>	<b>(40,000)</b>	<b>1,54,29,500</b>	<b>(44,60,000)</b>	<b>1,09,69,500</b>	






Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

PARTICULARS	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>Note 5 :- Other Non Current Assets (Unsecured, Considered Good)</b>		
(a) Security deposits	49,85,004	38,46,079
<b>Total</b>	<b>49,85,004</b>	<b>38,46,079</b>
<b>Note 6 :- Trade Receivables (Unsecured)</b>		
Considered Good	39,01,08,493	34,54,74,647
Considered Doubtful	-	-
Less : Allowance for Bad and Doubtful Debts	-	-
<b>Total</b>	<b>39,01,08,493</b>	<b>34,54,74,647</b>
<b>Note 7 :- Cash And Cash Equivalents</b>		
Balances with banks		
(i) In current accounts	1,03,77,261	57,78,287
Cash on hand	26,740	14,069
<b>Total</b>	<b>1,04,04,001</b>	<b>53,92,356</b>
<b>Note 8 :- Loans (Current)</b>		
Intra Corporate Deposit	9,02,38,519	8,86,04,342
Loan and Advances to Others	4,11,09,253	3,19,46,475
<b>Total</b>	<b>13,13,47,772</b>	<b>12,05,50,817</b>
<b>Note 9 :- Other Current Assets</b>		
Balances with government authorities	31,03,858	12,45,791
Prepaid Expenses	4,52,48,338	2,75,14,305
Advance to staff	60,66,600	61,50,553
<b>Total</b>	<b>5,44,18,795</b>	<b>3,49,10,650</b>






Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

**NOTE 10 (a) - EQUITY CAPITAL**

PARTICULARS	As at March 31, 2019 Amount in Rs.	As at March 31, 2018 Amount in Rs.
<b>AUTHORISED SHARE CAPITAL</b>		
1,00,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10 each	10,00,00,000	50,00,00,000
<b>Total</b>	10,00,00,000	50,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,11,66,940 (Previous Year 50,33,388) Equity Shares of Rs.10 each fully paid up	25,16,69,400	5,03,33,380
<b>Total</b>	25,16,69,400	5,03,33,380

NOTE 10 (b) - The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

NOTE 10 (c) - The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	Amount in Rs.	No. of shares held	Amount in Rs.
<b>Equity Shares</b>				
Number of shares at the beginning	50,00,000	5,03,33,380	50,23,380	5,03,33,380
Add: Issue of bonus shares	2,91,33,552	29,13,35,520	-	-
Less: Buy Back	-	-	-	-
<b>Number of shares at the end</b>	<b>2,51,66,940</b>	<b>25,16,69,400</b>	<b>50,23,380</b>	<b>5,03,33,380</b>

NOTE 11 (d) - Details of shares held by each shareholder holding more than 5% shares:

Class of share / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% holding	No. of shares held	% holding
<b>Equity shares with voting rights</b>				
Seegun Anil Kumar Reddy Thumma	1,05,96,730	42.11%	21,59,540	43.11%
Jagan Mohan Reddy Thumma	25,58,000	10.14%	4,70,000	9.34%
Devana Reddy Thumma	16,00,000	6.36%	7,20,000	14.34%
Sumana Reddy Thumma	18,00,000	7.15%	3,20,000	6.36%



Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

PARTICULARS	As at March 31, 2019 Amount In Rs.	As at March 31, 2018 Amount In Rs.
<b>Note 11: Other Equity</b>		
General Reserve	3,15,22,620	3,15,22,620
Securities premium	24,00,00,000	24,00,00,000
Less: Transfer as bonus issue	20,13,35,520	-
	3,86,64,480	24,00,00,000
Statutory Reserve	1,23,88,966	1,02,15,456
Add: Transfer from profit and loss account	-	21,73,510
	1,23,88,966	1,23,88,966
Foreign Currency Translation Reserve	73,82,175	1,77,463
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	5,99,23,401	2,09,68,766
Add: Profit / (Loss) for the year	7,85,86,118	4,41,57,188
	13,85,09,519	6,51,25,954
Less:		
Transfer to statutory reserve	-	21,73,510
Interim Dividend	-	25,16,694
Tax on Dividend	-	5,12,348
	13,85,09,519	5,99,23,401
<b>Total</b>	<b>22,84,67,761</b>	<b>34,40,12,430</b>
<b>Note 12:- Borrowings (Non Current)</b>		
<b>Term loans (Secured)</b>		
Vehicle Loan from financial institutions	37,55,995	32,81,241
<b>Total</b>	<b>37,55,995</b>	<b>32,81,241</b>
<p>Vehicle Loan from Cholamandalam Investment and finance Company Ltd is to be paid in 48 equal monthly installment carrying interest rate 13% and maturity at February 2021.</p> <p>Vehicle Loan from Kotak Mahindra Prime Ltd is to be paid in 60 equal monthly installment carrying interest rate 9.52% and maturity at January 2023.</p>		
<b>NOTE 13:- Deferred Tax Liability (net)</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On account of fixed assets	1,66,109	1,90,354
<b>Total</b>	<b>1,66,109</b>	<b>1,90,354</b>




Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

PARTICULARS	As at March 31, 2019 Amount in Rs.	As at March 31, 2018 Amount in Rs.
<b>Note 14 :- Borrowings (Current)</b>		
<b>Secured</b>		
Line of Credit - Citl National Bank ( All the assets of the company are pledged as collateral towards the line of credit including unlimited guarantee of the shareholders)	10,37,50,655	-
<b>Unsecured</b>		
From Director	3,25,000	3,25,000
<b>Total</b>	<b>10,40,75,655</b>	<b>3,25,000</b>
<b>Note 15 :- Other Financial Liabilities (Current)</b>		
(a) Current maturities of long term borrowings	16,21,917	14,62,410
(b) Unclaimed Dividends	4,31,293	-
<b>Total</b>	<b>20,53,209</b>	<b>14,62,410</b>
<b>Note 16 :- Provisions (Current)</b>		
(a) Provision for Standard Assets	-	2,21,511
(b) Provision for Gratuity	12,90,464	-
<b>Total</b>	<b>12,90,464</b>	<b>2,21,511</b>
<b>Note 17 :- Other Current Liabilities (Current)</b>		
(a) Statutory liabilities	8,26,715	6,79,432
(b) Salary Payable	11,49,21,308	19,75,37,434
(c) Other Payable	7,40,525	10,15,544
(d) Advance from customer	59,39,117	68,46,932
<b>Total</b>	<b>12,24,67,665</b>	<b>20,60,73,342</b>





Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

PARTICULARS	2018-19 Amount in Rs.	2017-18 Amount in Rs.
<b>Note 18 :- Revenue from Operations</b>		
Service Income	2,02,95,83,228	1,60,39,27,764
Interest Income	-	73,42,101
<b>Total</b>	<b>2,02,95,83,228</b>	<b>1,61,12,69,865</b>
<b>Note 19 :- Other Incomes</b>		
Interest on loan	73,80,075	-
Foreign exchange gain	1,69,447	-
Other non-operating income	7,414	-
<b>Total</b>	<b>75,56,936</b>	<b>-</b>
<b>Note 20 :- Employee Benefit Expenses</b>		
Salary, wages, bonus and allowances	1,69,61,98,496	1,26,43,92,556
Contribution to Provident Fund and Other Funds	30,66,206	13,78,370
Employee welfare and other amenities	5,81,44,047	9,02,23,343
<b>Total</b>	<b>1,75,74,08,749</b>	<b>1,35,59,94,268</b>
<b>Note 21 :- Finance Costs</b>		
Interest on Secured Loan	42,76,238	19,72,109
<b>Total</b>	<b>42,76,238</b>	<b>19,72,109</b>




Magellanic Cloud Limited (formerly known as South India Projects Limited)  
Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

PARTICULARS	2018-19 Amount in Rs.	2017-18 Amount in Rs.
<b>Note 22 - Other Expenses</b>		
Audit Fees	2,10,000	1,90,000
Bank charges	9,18,246	7,77,901
Software Consultancy & Development charges	5,24,46,620	8,83,41,217
Other miscellaneous Expenses	3,79,08,726	2,80,89,225
Advertisement & Business Promotion	1,55,295	87,270
Professional Fees	73,16,557	53,97,006
Rates & Taxes	26,00,942	94,26,031
Rent Expenses	3,21,70,905	2,57,12,774
Telephone & Internet Charges	47,59,301	35,07,074
Insurance Vehicle	45,46,720	31,87,434
Electricity Expenses	17,09,964	9,18,593
Foreign Exchange Fluctuation	-	34,382
Printing Expenses	1,33,653	4,81,912
Repairs & Maintenance	39,37,759	70,31,707
Loss on sale of Assets	-	1,72,590
Fixed Assets w/off	52,604	-
Bad Debts	59,48,662	-
Provision for Standard Assets	(2,21,511)	3,21,511
Conveyance & Travelling	2,23,13,026	1,38,46,634
<b>Total</b>	<b>17,69,07,465</b>	<b>18,14,23,244</b>






Magellanic Cloud Limited (formerly known as South India Projects Limited)  
 CIN: L72400WB501PLC034542  
 Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

21. Related party transactions

As per Indian Accounting Standard (Ind AS 24), the disclosures of transactions with the related parties are given below:

21.1. Relationships during the year

21.1.1. Key Managerial Personnel

Jagan Mohan Reddy Thamma  
 Joseph Sullerey Reddy Thamma  
 Sanjay Mahendra Chavan (CFO)

21.2. Related party transactions

21.2.1. Transactions with related parties during the year:

Particulars	2018-19	2017-18
Director Remuneration		
Jagan Mohan Reddy Thamma	4,80,000	4,80,000
Sanjay Mahendra Chavan	31,80,000	33,80,000

24. Earnings per share

Particulars	March 31, 2019	March 31, 2018
Net profit after tax as per statement of profit and loss	7,85,46,319	6,41,57,116
Weighted average number of equity shares outstanding during the year	2,91,66,940	18,71,980
Dividend value per equity share	₹ 0	₹ 0
Basic & Diluted Earnings per share	₹ 2.70	₹ 3.43

22. In the opinion of the Board, the value of realization of interest income in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet.

23. On the basis of the information available with the company, there are no money and stock market transactions, in which the company was engaged, which are constituting for more than 45 days as at March 31, 2019.

25. Previous Year figures

Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

As per our report of even date

For D. Kothary & Co.  
 Chartered Accountants  
 Firm Registration No. 110333W

Mukund U. Desai  
 Partner  
 Membership No. 112024

Chennai Branch  
 Date: 28th May 2019



For and on behalf of Board of Directors:

Messaging Director  
 Jagan Mohan Reddy Thamma  
 Dir. No. 6554445

Independent Director  
 Nikitha Vijayarajulu  
 Dir. No. 6759613

Place: Hyderabad  
 Date: 28th May 2019



Company Secretary  
 Sathya Jagannath Shetty  
 Dir. No. 56120486

Chief Financial Officer  
 Sanjay Chavan  
 Dir. No. 61167490



38<sup>th</sup> Annual General Meeting  
**MAGELLANIC CLOUD LIMITED**  
*(Formerly known as South India Projects Ltd)*  
**[CIN: L72100WB1981PLC034342]**

Registered office: 14B, Ram Chandra Moitra, Kolkata - 700005,  
 West Bengal, India.

Corp. office : #164, Survey No. 48, 4th Floor, Kavuri Hills, Madhapur, Hyderabad,  
 Telangana – 500081, India.

Telephone No.: 040-40916571

Email : compliance@magellanic-cloud.com| Website: www.magellanic-cloud.com

**Form No. MGT-11**  
**FORM OF PROXY**

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

Name of Member(s) :	Email Id :
Registered Address :	Folio No. :
	*DP Id. :
No. of Shares held :	*Client Id. :

\* Applicable for investors holding shares in electronic form.

I/We, being a member(s) of \_\_\_\_\_ shares of MAGELLANIC CLOUD LIMITED hereby appoint:

1. Mr./Mrs. \_\_\_\_\_ Email Id: \_\_\_\_\_  
 Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Signature: \_\_\_\_\_

2. Mr./Mrs. \_\_\_\_\_ Email Id: \_\_\_\_\_  
 Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Signature: \_\_\_\_\_

3. Mr./Mrs. \_\_\_\_\_ Email Id: \_\_\_\_\_  
 Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Signature: \_\_\_\_\_

*as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on Saturday, August 10, 2019 at 03.30 pm (IST) at 14B, Ram Chandra Moitra, Kolkata - 700005, West Bengal, India and at any adjournment thereof in respect of such resolutions as are indicated below:*



\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	Number of Shares held	For	Against
<b>Ordinary Business</b>				
1.	To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditor's thereon.			
2.	To appoint a Director in place of Mr. Jagan Mohan Reddy Thumma [DIN: 06554945],, who retires by rotation, and being eligible, offers himself for re-appointment			
3.	To ratify the appointment of M/s. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W) as statutory auditors of the Company and to fix their remuneration			
<b>Special Business</b>				
4.	To consider the issue bonus shares in the ratio 4:1 by capitalizing the free reserves of the Company to the extent of Rs. 20,13,35,520 (Rupees Twenty Crores Thirteen Lakhs Thirty Five Thousand Five Hundred and Twenty only)			
5.	To consider to appoint of Mr. Carwin Heierman as an Executive Director			
6.	To consider to change of designation of Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) from Non-Executive Director to Managing Director designated as Global CEO of the Company			
7.	To consider to shifting of registered office from one state to another			
8.	To Change the Articles of Association of the Company			

\*\* This is optional. Please put a tick mark (x) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all of the Resolutions, the proxy will be entitled to vote in the manner he/ she thinks appropriate. If a member wishes to abstain from voting on particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature(s) of the Member(s)

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix One  
rupee  
Revenue  
Stamp

**Notes:**

1. The Proxy to be effective should be deposited at the registered office of the company at least 48 hours before the commencement of the Meeting at 14B, Ram Chandra Moitra, Kolkata - 700005, West Bengal, India.

2. A proxy need not be a member of the company.

3. In the case of the Joint holders, the vote of the senior who tenders vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of the Members.

4. The form of proxy confers authority to demand or join in demanding a poll.

5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

**Attendance Slip**38<sup>th</sup> Annual General Meeting**MAGELLANIC CLOUD LIMITED***(Formerly known as South India Projects Ltd)***[CIN: L72100WB1981PLC034342]**Registered office: 14B, Ram Chandra Moitra, Kolkata - 700005,  
West Bengal, India.Corp. office: #164, Survey No. 48, 4th Floor, Kavuri Hills, Madhapur, Hyderabad,  
Telangana - 500081, India.

Telephone No.: 040-40916571

Email: [compliance@magellanic-cloud.com](mailto:compliance@magellanic-cloud.com) | Website: [www.magellanic-cloud.com](http://www.magellanic-cloud.com)

Date	Venue	Time
August 10, 2019	14B, Ram Chandra Moitra, Kolkata - 700005, West Bengal, India	03:30 PM (IST)

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

Folio No. \_\_\_\_\_ \*DP ID No. \_\_\_\_\_ \*Client ID No. \_\_\_\_\_

Name of the Member Mr./Mrs. \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder Mr./Mrs. \_\_\_\_\_ Signature \_\_\_\_\_

*\* Applicable for investors holding shares in electronic form.*

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 38<sup>th</sup> Annual General Meeting of the Company held on Saturday, *August 10, 2019* at 03:30 PM (IST) at 14B, Ram Chandra Moitra, Kolkata - 700005, West Bengal, India.**Signature of the Member/ Proxy***Note: Electronic copy of the Notice of the 38<sup>th</sup> Annual General Meeting with the Attendance slip and Proxy form is being sent to all the members whose email id is registered with the Company/ Depository Participant unless any meeting has been requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.**Physical copy of the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email Id is not registered or has requested for hard copy.*

**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]**

<b>Name of Director</b>	Joseph Sudheer Reddy Thumma	Mr. Robert Alan Forbes Jr.	Mr. Carwin Heierman
<b>DIN</b>	07033919	08459003	08458981
<b>Date of Birth</b>	07/07/1975	21/01/1965	28/08/1974
<b>Date of appointment</b>	29 /12/2015	28/05/2019	28/05/2019
<b>Nature of expertise</b>	Experience of around 21 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 4 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.	General Business	Investment Relations and process management. Located in Monaco with a strong network and track record in investment and investment networks.
<b>Qualification</b>	Bachelor of Computer Science Engineering from Osmania University, Telangana, India	Bachelor's of Science in Business Administration, Bryant University, USA Masters of Business Administration (MBA) Babson College, USA	Higher Business Education in the Netherlands
<b>Relationships between directors inter-se</b>	Promoter	N.A.	N.A.
<b>List of other Indian Public Limited Companies in which Directorship held as on March 31, 2019</b>	Nil	N.A.	N.A.
<b>Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2019</b>	Nil	Nil	Nil
<b>Terms and conditions of Appointment/ Re-appointment</b>	Managing Director – 5 years w. e. f. July 10, 2019	Independent Director – 5 years w. e. f. 28th May, 2019	Executive Director – w. e. f. 28th May, 2019
<b>Number of Meetings of the Board attended during the Year</b>	1	N.A.	N.A.
<b>Directorship and Membership in the committees of other listed Companies</b>	Nil	Nil	Nil
<b>Shareholding of Directors (As on March 31, 2019)</b>	1,05,96,730	Nil	Nil



## BOOK - POST

### **Magellanic Cloud Limited**

**(Formerly known as South India Project Ltd.)**

14B, Ram Chandra, Moitra,

Kolkata -700005, West Bengal, India,

Tel:- 040-40916571

E-Mail: [compliance@magellanic-cloud.com](mailto:compliance@magellanic-cloud.com)

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

If undelivered, please return to :

**NICHE TECHNOLOGIES PRIVATE LIMITED**

**Unit: Magellanic Cloud Limited**

**(Formerly known as South India Project Ltd.)**

3A Auckland Place, 7th Floor, Room No. 7A & 7B  
Kolkata, West Bengal, 700017, India.

Tel: 033 - 2280 6616/17/19

Fax: - 033 - 2280 6619

E-mail:- [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

# MAGELLANIC CLOUD LIMITED

(Formally known as South India Projects Limited)

**CIN L72100WB1981PLC034342**

Corp. Off.: Mahaveer Techno Park, Plot No.6, Survey No .64, Software Units Layout,  
5th Floor, Inorbit Mall Road, Hi-Tech City, Madhapur, Hyderabad, Telangana - 500081, India.  
Ph.: 040-43366058, E-mail: southindiaprojectslimited@gmail.com, Website: www.southindiaprojectslimited.in

## CORRIGENDUM

### NOTICE

Addendum to notice of 38th Annual General Meeting dated 17.07.2019

Subsequent to the dispatch of the Notice dated July 17, 2019, convening an AGM to be held on Saturday, August 10, 2019 at 14B, Ram Chandra Moitra, Kolkata - 700005, West Bengal, India, the Board of Directors of the Company have approved inclusion of additional agenda item as under:

ORDINARY BUSINESS:

09. To declare Dividend of ₹ 0.5 (i.e. 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, 2019.

Thanking You,

Yours faithfully,

For Magellanic Cloud Limited  
(Formerly known as South India Projects Ltd)

  
Jagan Mohan Reddy Thumma  
(Managing Director)  
[DIN: 06554945]