



MAGELLANIDCLOUD

ANNUAL REPORT 2023





INSIDE THIS REPORT

CORPORATE OVERVIEW

- General information
- Management Note

MANAGEMENT REPORTS

- Notice of 42nd Annual General Meeting
- Board's Report
- Annexures to the Board's Report
- Management Discussion & Analysis Report
- Secretarial Audit Report
- Corporate Governance Report
- Business Responsibility & Sustainability Report

FINANCIAL RESULTS & STATEMENTS

STANDALONE

- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Statement of Changes in equity
- Cash Flow Statement
- Notes to Standalone Financial Statements

CONSOLIDATED

- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Statement of Changes in equity
- Cash Flow Statement
- Notes to Consolidated Financial Statements

GENERAL INFORMATION

Board Of Directors and KMP

Managing Director: Mr. Jagan Mohan Reddy Thumma

Managing Director designated as Global CEO: Mr. Joseph Sudheer Reddy Thumma

Non-Executive, Independent Director: Miss. Nikitha Tiparnapally

Non-Executive, Independent Director: Mr. Elisha Thatisetty

Executive: Mr. Carwin Heierman

Non-Executive, Independent Director: Mr. Robert Alan Forbes Jr.,

Chief Financial Officer: Sanjay Mahendra Chauhan

Company Secretary & Compliance Officer: Mr. Sadhu J. Shetty (Up to 15.04.2022),
Mr. Sameer Lalwani (w.e.f. 19.04.2022)

Statutory Auditors

M/s. Bhuta Shah & Co. LLP Chartered Accountant

302 Regent Chambers, Jamnalal Bajaj Marg, Nariman Point, Mumbai, Maharashtra 400021.

Tel +022 4343 9191

E-Mail: mail@bhutashah.com

Internal Auditor

M/s. Prajwal Poojari & Associates, Chartered Accountant

Bankers

HDFC Bank Hyderabad, Branch

Registered Office (w.e.f. 03/01/2023)

6th & 7th Floor, Dallas Center, 83/1, Plot No A1 Knowledge City, Rai Durg Hyderabad
Rangareddi TG 500032

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

Phone: 033 - 2280 6616/17/19

FAX: 033 - 2280 6619

E-mail: nichetechpl@nichetechpl.com

MANAGEMENT NOTE



Dear Shareholders,

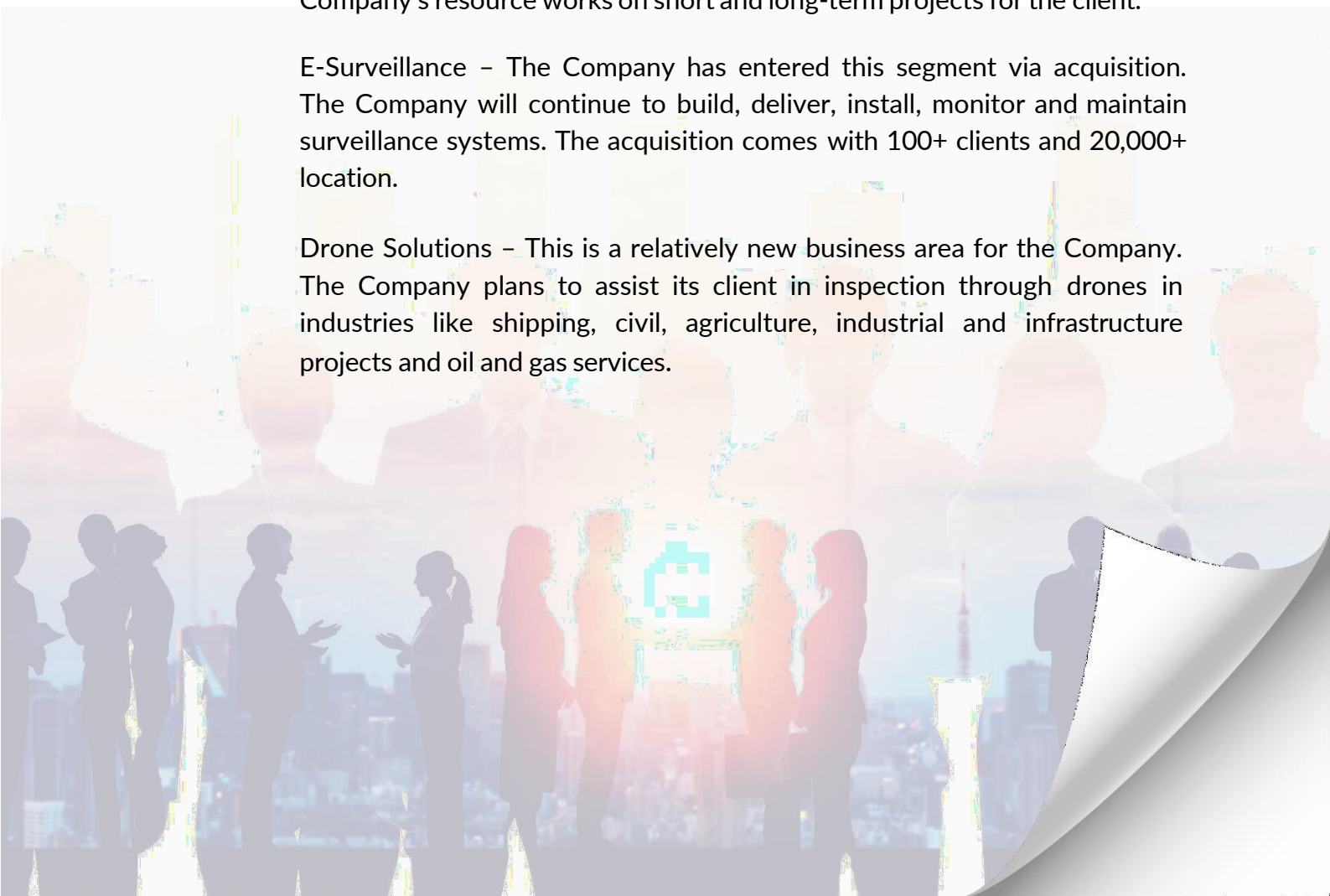
Magellanic Cloud Limited ("M CLOUD") engages in software development, digital transformation, DevOps space, and human capital businesses. The company also provides AI/ML driven IT consulting services. Mcloud offers world class digital transformation solutions to global businesses. It has invested in leading companies operating in IT services, E-surveillance and drones to have a competitive edge at scale. The company boasts of manpower strength of 1,200+ and has serviced over 50 companies including companies in fortune 1,000 league. The key area of Mcloud's service offerings include:

IT Solutions – End to end IT solutions from development, quality assurance, implementation, consulting, DevOps, IoT and others.

Human Capital – The Company mainly deals in staffing solutions. The Company's resource works on short and long-term projects for the client.

E-Surveillance – The Company has entered this segment via acquisition. The Company will continue to build, deliver, install, monitor and maintain surveillance systems. The acquisition comes with 100+ clients and 20,000+ location.

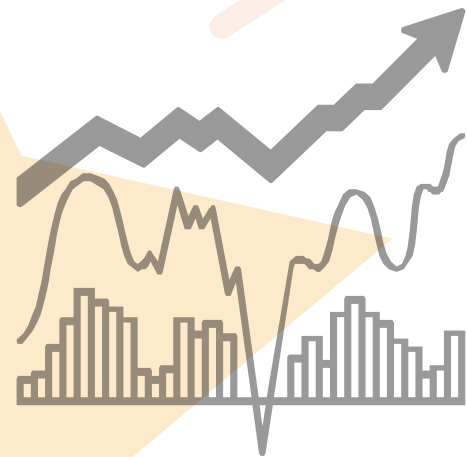
Drone Solutions – This is a relatively new business area for the Company. The Company plans to assist its client in inspection through drones in industries like shipping, civil, agriculture, industrial and infrastructure projects and oil and gas services.





M-CLOUD, through its wholly owned subsidiary, Provigil Surveillance Limited, has secured an order to supply, install and commission alert based monitoring and control system for e- surveillance of a prestigious public sector bank. The contract is awarded post competitive bidding and will enable M-CLOUD to provide E-Surveillance services to 1,848 branches of the Bank spread across India for a total period of 5 years. M-CLOUD through this contract will earn revenue of Rs. 6,650 per branch per month and has potential to generate revenues to the tune of Rs. 150 Mn per year over the 5 years Contract Period. Considering the size of branches, scale of contract and scope of services, this order will likely yield healthy profit margins. The Equipment and devices to be installed by M-CLOUD uses AI based technology to monitor, detect, and prevent potential theft. Further, this order-win is a testimony of M-CLOUD's strong presence in the E-surveillance segment and showcases the trust placed by clients in M-CLOUD's team and provision of quality of services.

M-CLOUD, through its wholly owned subsidiary, Provigil Surveillance Limited, has secured an order to provide end-to-end implementation and management of E-surveillance of ATM sites in 8 geographical circles spread across India. The contract is awarded post competitive bidding and will enable M-CLOUD to provide E- Surveillance services to 3,032 ATM sites of a well-known Public Sector bank. M-CLOUD through this contract will generate revenues to the tune of Rs. 130 Mn. per year for the five- year contract period. Considering the scale of contract and scope of services, this order will likely yield healthy profits margins and add a new reputable client to our existing list of marquee clientele. This order-win is a testimony of M-CLOUD's dominant presence in the E- surveillance segment and showcases the trust placed by clients in M-CLOUD's team and provision of quality of services.



The Company has acquired 70% shares of Scandron Private Limited, a company incorporated under the laws of India, and having its registered office at Dallas Center 6th floor 83/1 plot No. A1, Knowledge City Rai Durg, Hyderabad 500032, via Share Purchase Agreement(SPA), by way of cash consideration approximate of INR. 20,00,000,(Indian National Rupees Twenty Lakhs Only). The above acquisition is expected to provide better growth and expansion.

STAY SAFE...

NOTICE : ANNUAL GENERAL MEETING



NOTICE is hereby given that the 42nd Annual General Meeting of the Members of Magellanic Cloud Limited will be held on Saturday, September 30, 2023, at 11:30 A.M. (IST) through Video Conference (VC) Meeting to transact the following business(es):

ORDINARY BUSINESS:

1. Adoption of Accounts – Standalone

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditor's thereon.

2. Adoption of Accounts – Consolidated

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditor's thereon.

3. Declaration of Dividend

To declare a Dividend of ₹ 0.15 per share (i.e., 1.5% on face value) per Equity share of face value of ₹10/- each fully paid-up of the Company for the financial year ended March 31, 2023.

4. Appointment of a Director retiring by rotation

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.

“RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Mr. Jagan Mohan Reddy Thumma [DIN: 06554945], as a Director, to the extent that he is required to retire by rotation.”



By Order of the Board of Directors
For Magellanic Cloud Limited

Joseph Sudheer Reddy Thumma
Managing Director

[DIN: 07033919]

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

Dated: September 2, 2023

Place: Hyderabad

NOTES:

1. Ministry of Corporate Affairs ("MCA") has vide its circular dated December 28, 2022 read with circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 (collectively referred to as "MCA Circulars") permitted the holding of AGM through VC / OAVM, without the physical presence of Members. In compliance therewith, AGM of the Company is being held through VC / OAVM. Also, in compliance with MCA Circulars and SEBI Circular dated January 05, 2023 read with circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Hence, members can attend and participate in the ensuing AGM through VC/OVAM. Electronic copy of the Annual Report for the financial year 2023 is being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2023 and Notice of the 42nd AGM of the Company, may send request to the Company's e-mail address at compliance@magellanic-cloud.com mentioning Folio No./DP ID and Client ID.

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

3. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and Insta Poll during the AGM. The process of remote e-voting with necessary User ID and Password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 42nd AGM being held through VC / OAVM.

4. Members joining the meeting through VC / OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through Insta Poll at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC / OAVM but shall not be entitled to cast their vote again.

5. The Company has fixed Saturday, September 23, 2023, as Record Date for determining the members eligible for Dividend on Equity Shares, if declared at the Annual General Meeting.

6. Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 25, 2023, to Saturday, September 30, 2023 (both days inclusive).

7. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents- M/s. Niche Technologies Pvt. Ltd for assistance in this regard.

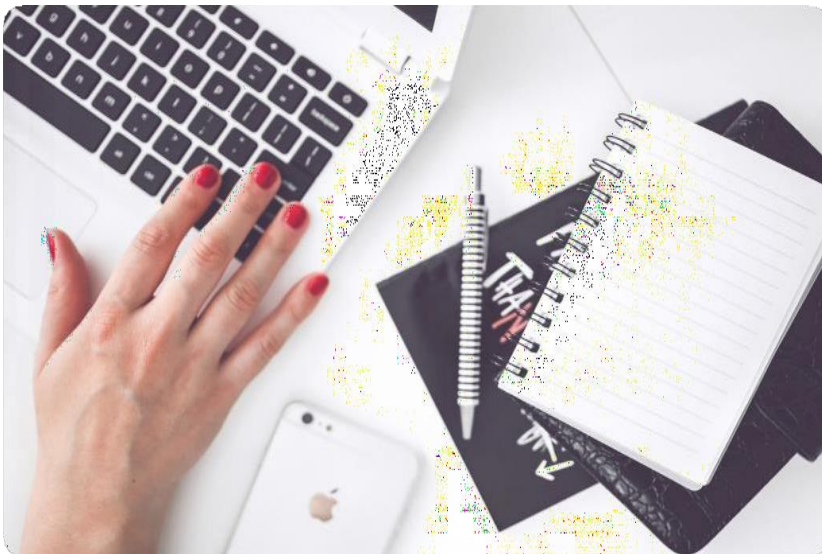
8. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. NICHE TECHNOLOGIES PRIVATE LIMITED, Unit: Magellanic Cloud Limited. (Share Transfer Agent) at 3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata 700 01, West Bengal. Tel: 033- 2280 6616/17/18; Fax: 033-2280 6616, Web Site:www.nichetechpl.com, mail: nichetechpl@nichetechpl.com in case the shares are held in physical form.

10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

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

The Members/Claimants whose shares, unclaimed dividend, and debenture interest amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5(available on www.iepf.gov.in). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. Members are requested to contact the Company's Registrar and Share Transfer Agent to claim the unclaimed/ unpaid dividends at the following address: M/s. Niche Technologies Private Limited.



12. Updation of Members' Details: Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled-in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

13. Nomination Facility: As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to Mr. Sameer Lalwani (Company Secretary & Compliance Officer) at compliance@magellanic-cloud.com.

15. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2022-23 will also be available on the Company's website at www.magellanic-cloud.com, on the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of Depository.



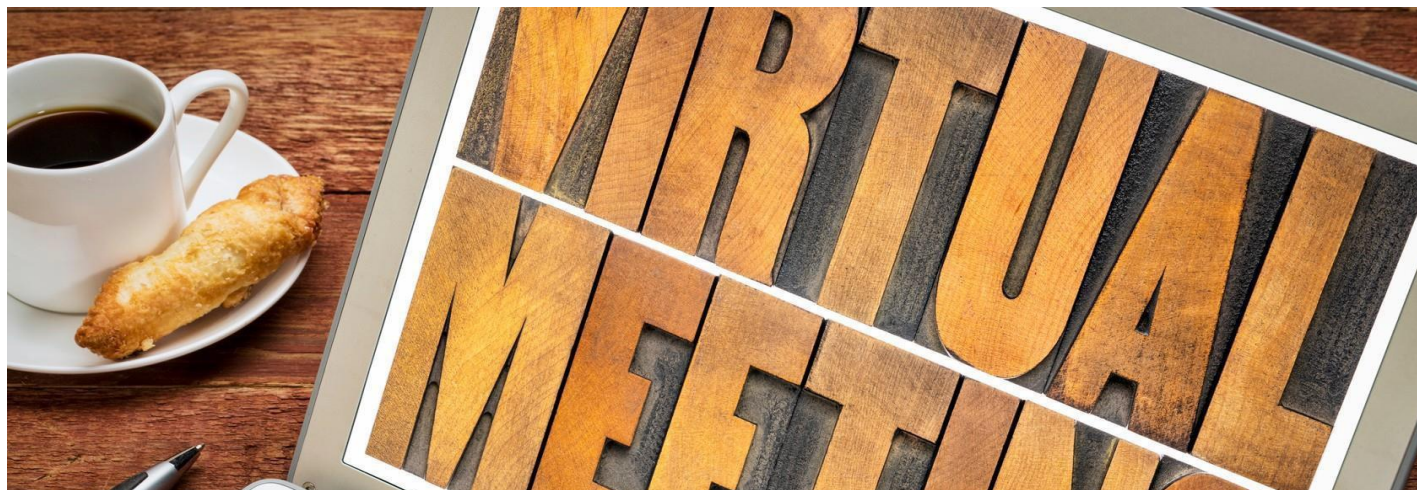
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. The Remote E-voting facility will commence from 9.00 AM (IST) on Wednesday, September 27, 2023, and will end at 5.00 PM (IST) on Friday, September 29, 2023. 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.

19. 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, September 23, 2023.

20. The Board of Directors at their meeting held on September 2, 2023 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.



1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 , Circular No. 20/2020 dated May 05, 2020, and Circular No. 21/2021 dated December 14, 2021 The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the /AGM will be provided by CDSL.

3. The Members can join the /AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://magellanic-cloud.com/investors/> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13 2021.



THE INTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(I) The voting period begins on 27.09.2023 at 9.00 am (IST) and ends on 29.09.2023 at 05.00 pm (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e- voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1.If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>

Type of shareholders	Login Method
	<p>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e- Voting service provider website for casting your vote during the remote e- Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>
Individual Shareholders holding securities in Demat mode with NSDL	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000</p>

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on “Shareholders” module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 to be also 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - ◆ The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - ◆ It is Mandatory that, 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.
 - ◆ Alternatively, Non Individual shareholders are required mandatory to send the

relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@magellanic-cloud.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e- voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the /AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the /AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e- Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

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

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

Name of the Director	<i>Mr. Jagan Mohan Reddy Thumma</i>
Date of Birth	<i>16/11/1977</i>
Date of appointment	<i>29/12/2015</i>
Nature of expertise	<i>He has an overall experience of around 18 years in Information Technology sector. He is working as a correspondent since 2001 and presently he is correspondent at St. Francis Institute of Management, Gagillapur, Telangana.</i>
Nature of expertise	<i>He has an overall experience of around 18 years in Information Technology sector. He is working as a correspondent since 2001 and presently he is correspondent at St. Francis Institute of Management, Gagillapur, Telangana.</i>
Qualification	<i>Master of Information Technology, Sydney, Australia</i>
Relationships between directors inter-se	<i>Brother of Joseph Sudheer Reddy Thumma</i>
List of other Indian Listed Limited Companies in which Directorship held [along with listed entities from which the person has resigned in the past three years] as on March 31, 2023	<i>Nil</i>
Member of the Committee of Board of other Indian Listed Limited as on March 31, 2023	<i>Nil</i>
Shareholding of Directors (As on March 31, 2023)	<i>94,00,000</i>

BOARD'S REPORT

To,
The Members,
MAGELLANIC CLOUD LIMITED
(Formerly known as South India Projects Ltd)
CIN: L72100TG1981PLC169991

Your Directors have pleasure in presenting their 42nd Annual Report along with the summary of standalone and consolidated financial statements for the financial year ended March 31, 2023 of Magellanic Cloud Limited (*"the Company"*).



FINANCIAL RESULTS

The summarized financial performance of the Company for the FY 2022-23 and FY 2021-22 is given below:

[Amount in lakhs]

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	5471.17	1626.48	42746.88	25267.76
Other Income	139.34	141.34	1910.33	3009.68
Total Revenue	5610.51	1767.82	44656.91	28277.44
Total Expenses	4039.53	1342.86	35278.86	24997.01
Profit/(Loss) before exceptional and extraordinary items and tax	1570.98	424.96	9378.05	3280.43
Exceptional Items	-	-	-	-
Extraordinary Items				
Net Profit Before Tax	1570.98	424.96	9378.05	3280.43
Provision for Tax				
- Current Tax		115.00	1912.83	137.96
- Deferred Tax (Liability)/Assets	509.98	24.11	54.25	(44.97)
- Excess/(short) provision for earlier years	0.09	13.88	0.69	241.59
	-			
Net Profit After Tax	1061.80	271.97	7410.28	2945.85
Profit/(Loss) from Discontinued operations				
Tax Expense of Discontinued operations			-	-
Profit/(Loss) from Discontinued operations (after tax)				
Profit/(Loss) for the period	1061.80	271.97	7410.28	2945.85
Other Comprehensive Income				
- Items that will not be reclassified to profit or loss	-		22.78	(160.11)
- Income tax relating to items that will not be reclassified to profit or loss	7.14	(22.41)	(5.73)	-
- Exchange differences in translating the financial statements of foreign operations				

- Income tax relating to items that will be reclassified to profit or loss	-	-	(442.46)	-
Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	1068.94	249.56	9404.69	2741.55
Earnings per equity share <i>(for continuing operation)</i> :				
- Basic (In `)	0.95	1.08	6.62	2.93
- Diluted (In `)	0.95	1.08	6.62	2.93

REVIEW OF OPERATIONS:

Standalone:

During the year under review, the Standalone total Income was **INR 5610.51 Lakhs** as against **INR 1767.82 lakhs** for the corresponding previous year.

Total Comprehensive income for the period was **INR 1068.94 Lakhs** as against **INR 249.56 Lakhs** in the corresponding previous year.

Consolidated:

During the year under review, the consolidated total Income was **INR 44656.91 lakhs** as against **INR 28277.44 lakhs** for the corresponding previous year.

Total Comprehensive consolidated income for the period was **INR 9404.69 Lakhs** as against **Net INR 2741.55 lakhs** in the corresponding previous year.

TRANSFER TO RESERVES

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

DIVIDEND

The Board of Directors have recommended a Dividend of Re. 0.15 per share (on face value of INR 10/- each for the Financial Year ended March 31, 2023).

STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review the Company has added new activities in their main object clause such as to develop, provide, undertake, design, import, export, distribute and deal in Systems and application software for microprocessor based information systems, off shore software development projects, internet service provider, and solutions in all areas of application including those in Emerging niche segments like Internet and Intranet website applications solutions software enterprise, resource planning, e-commerce, value added products, Remotely Piloted Aircraft System (RPAS) like Drones and others, Metaverse Technologies such as Virtual reality (VR), augmented reality (AR) and Internet of Things (IoT) technologies.



KEY DEVELOPMENTS

1. Change of registered office from the "State of Maharashtra" to the "State of Telangana":

With the approval of members at the AGM held on August 10, 2022, the Company has changed its registered office from the "State of Maharashtra" to the "State of Telangana" to carry on the business of the Company more economically and efficiently and with 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.

2. Acquisition of Scandron Private Limited:

The Company has acquired 70% shares of Scandron Private Limited, a company incorporated under the laws of India, and having its registered office at Dallas Center 6th floor 83/1 plot No. A1, Knowledge City Rai Durg, Hyderabad 500032, via Share Purchase Agreement (SPA), by way of cash consideration approximate of INR. 20,00,000, (Indian National Rupees Twenty Lakhs Only). The above acquisition is expected to provide better growth and expansion.

3. M-CLOUD, through its wholly owned subsidiary, Provigil Surveillance Limited, has secured an order to supply, install and commission alert based monitoring and control system for e-surveillance of a prestigious public sector bank. The contract is awarded post competitive bidding and will enable M-CLOUD to provide E-Surveillance services to 1,848 branches of the Bank spread across India for a total period of 5 years. M-CLOUD through this contract will earn revenue of Rs. 6,650 per branch per month and has potential to generate revenues to the tune of Rs. 150 Mn per year over the 5 years Contract Period. Considering the size of branches, scale of contract and scope of services, this order will likely yield healthy profit margins. The Equipment and devices to be installed by M-CLOUD uses AI based technology to monitor, detect, and prevent potential theft. Further, this order-win is a testimony of M-CLOUD's strong presence in the E-surveillance segment and showcases the trust placed by clients in M-CLOUD's team and provision of quality of services.

4. M-CLOUD, through its wholly owned subsidiary, Provigil Surveillance Limited, has secured an order to provide end-to-end implementation and management of E-surveillance of ATM sites in 8 geographical circles spread across India. The contract is awarded post competitive bidding and will enable M-CLOUD to provide E-Surveillance services to 3,032 ATM sites of a well-known Public Sector bank. M-CLOUD through this contract will generate revenues to the tune of Rs. 130 Mn. per year for the five-year contract period. Considering the scale of contract and scope of services, this order will likely yield healthy profits margins and add a new reputable client to our existing list of marquee clientele. This order-win is a testimony of M-CLOUD's dominant presence in the E-surveillance segment and showcases the trust placed by clients in M-CLOUD's team and provision of quality of services.

SHARE CAPITAL

1. Increase in Authorised Capital:

As on March 31, 2023, the authorized capital of the company is Rs. 175 Cr. divided into 17.50 Cr. Equity Shares of Rs. 10/- each.

During the year company has increased its authorized capital from Rs. 55 Cr. to Rs 175 Cr. By creation of additional 120 Cr. Equity Shares of Rs. 10/- each aggregating



to Rs. 120 Cr. And same was approved by the members of the company at the Extra-Ordinary General Meeting held on March, 8 2023.

2. Preferential allotments:

On March 09, 2023, the Company has allotted 11,33,500 Equity Shares of Face Value of ₹ 10/- each at a premium of ₹ 385/- each amounting to Rs. 44,77,32,500/- to Strategic Investors being Non-Promoters on Preferential Allotment basis through Resolution passed in the Extra Ordinary General Meeting held on 8th March, 2023.

3. Bonus Issue:

The Board of Directors of the Company at their Meeting held on Thursday, 23rd March, 2023 has allotted 8,76,59,268 Equity Shares of face value of Rs.10/- each as fully-paid up Bonus Equity Shares in the ratio of 3 (Three) Equity Shares for every 1 (One) existing Equity Share held by the Members in the Company whose names appeared in the Register of Members / List of Beneficial Owners as on Wednesday, 22nd March, 2023 being the Record Date fixed for this purpose.

Consequent to the aforesaid allotment of Bonus Shares, the Paid-up Equity Share Capital of the Company stands increased from Rs. 29,21,97,560/- divided into 2,92,19,756 Equity Shares of Rs. 10/- each to Rs. 1,16,87,90,240/- divided into 11,68,79,024 equity shares of Rs. 10/- each

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

➤ *Retire by Rotation*

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Jagan Mohan Reddy Thumma [DIN: 06554945], Executive Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 42st Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

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

During the year under review Mr. Sadhu J. Shetty has resigned from the post of Company Secretary w.e.f. April 15, 2022, and Mr. Sameer Lalwani was appointed as Company Secretary and Compliance Officer of the Company w.e.f. April 19, 2022.

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

Sr. No.	Name of KMP	Designation
1.	Mr. Jagan Mohan Reddy Thumma	Managing Director

2.	Mr. Joseph Sudheer Reddy Thumma	Managing Director designated as Global CEO
3.	Mr. Sanjay Mahendra Chauhan	Chief Financial Officer
4.	Mr. Sameer Lalwani	Company Secretary and Compliance Officer

DISCLOSURES BY THE DIRECTORS

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

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, 16 (Sixteen) 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.

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.

ANNUAL RETURN:

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

STATUTORY AUDITORS' AND AUDITORS' REPORT

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

SECRETARIAL AUDIT

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

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

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

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

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

1. Non- compliance of IEPF rules, as amended

Reply:

The Company is in process to complete the same.

ANNUAL SECRETARIAL COMPLIANCE REPORT

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

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

During the year ending 31 March 2022, shareholders of the company have passed resolution for Introduction of 'Magellanic - Employees Stock Option Plan 2022' to the eligible employees of the company up to a maximum of 15,00,000 (Fifteen Lakhs) options. However, till the date of this report, no options have been granted and hence disclosures under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, and amended and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are not applicable for the year ending 31st March 2023.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has constituted Risk Management Committee to frame, implement and monitor the risk management plan for the Company under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and the committee 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.

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, 2023.

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 06 under Notes forming part of financial statement.

INSURANCE

The properties/assets of the Company are adequately insured.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to discharging its social responsibility as a good corporate citizen. As per the Financial Statements for the period under review, stating an increment in the profit margins of the Company, which made applicable the provisions of Section 135 of Companies Act, 2013 on the Company w.e.f 01.04.2023. Consequently, the Company is required to formulate the Corporate Social Responsibility (CSR) Committee, if applicable as per stipulated provisions and Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, with the recommendation of the Board, and on the recommendation of such committee (if any), the Company shall spend such amount as may arrived by them on the basis of financial statements during the financial year 2023-24 and shall take note on the Report of the same in the ensuing financial year.

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 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 VIII.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Business Responsibility and Sustainability Report is attached and is a part of this Annual Report as set out in Annexure IX of this report and is also available on Company's website at www.magellanic-cloud.com

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

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

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

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

(a) Conservation of Energy -

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

(b) Absorption of Technology -

In this era of competition, in order to maintain and increase the clients and customers, we need to provide best quality services to our clients and customers at minimum cost, which is not possible without innovation, and adapting to the latest technology available in the market for providing the services.

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

The Company believes that in order to improve the quality and standards of services, the

increasing along with the scale of operations of the Company.

(d) Foreign Exchange Earnings and Outgo -

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

(Amount in

Rs.)

Particulars	F.Y 2022-2023	F.Y 2021-2022
C.I.F. Value of Imports	-	-
F.O.B. Value of Exports	364502769.37	156472476

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

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

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

SECRETARIAL STANDARDS

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

LISTING WITH STOCK EXCHANGE

The shares of the Company are listed on BSE only.

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

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

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Officers and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits



the purchase or sale of Company shares by the Directors, Officers and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for 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
Director
[DIN: 06554945]

Joseph Sudheer Reddy Thumma
Managing Director
[DIN:07033919]

Date: September 2, 2023

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

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 directors out of which two are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

OBJECTIVE

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

The Key Objectives of the Committee would be:

- ◆ To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel, and Senior Management.
- ◆ To formulate the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel, and other employees.
- ◆ To formulation of criteria for evaluation of the 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.

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 –

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

“Policy” or “This policy” means Nomination and Remuneration Policy.

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

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

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE AND POWER OF THE COMMITTEE: -

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

The Committee shall:

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

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

(i). Appointment criteria and qualifications

- ◆ 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.
- ◆ 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.
- ◆ 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.

(i) 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.

(ii). 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.

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.
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- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

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

AMENDMENTS TO THE POLICY

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

AMENDMENTS IN THE LAW

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

IMPLEMENTATION

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

Annexure – II

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

- i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and
- ii.
- iii. 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 2022-23

Name & Designation	*Remuneration of each Director & KMP for Financial Year 2022-23 (INR)	% increase/ decrease in remuneration in the Financial Year 2022-23	Ratio of remuneration of each Directors to median remuneration of employees
A. Independent Directors			
Mrs. Tiparnapally Nikitha	-	-	-
Mr. Robert Alan Forbes Jr.	-	-	-
Mr. Elisha Thatisetty	-	-	-
B. Executive Directors/KMP			
Mr. Jagan Mohan Reddy Thumma (MD)	4,80,000	-	15.59:01
Mr. Sanjay M. Chauhan (CFO)	24,00,000	-	77.97:01
Mr. Sameer Lalwani (CS)	8,50,000	-	27.61:01
Mr. Joseph Sudheer Reddy Thumma (MD)	-	-	-
Mr. Carwin Heierman (Executive Dr.)	-	-	-



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

1. Median remuneration of all the employees of the Company for the financial year 2022-23 is INR 30,781/-.

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

	Financial Year 2022 - 23 (INR)	Financial Year 2021 - 22 (INR)	Decrease by (%)
Median remuneration of all employees	30,781	77,465	51.66

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 150 permanent employees on the rolls of Company as on March 31, 2023.

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 2022-23 was 51.66% 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

Joseph Sudheer Reddy Thumma
Managing Director
[DIN: 07033919]

Date: September 2, 2023

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

Jagan Mohan Reddy Thumma,
Director
[DIN: 06554945]



Annexure - III

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

Names of the Employees	Designation/ Duty Nature	Remuneration Received in p.a [INR]	Qualification	Experience In Years	Age in Years	Employment commencement Date	Last Employment Held	% of shares held
Arjun Naik	Helix							
	AVP – Sales & Strategy	54,00,000	MS	16 Years	43	1-May-2016	Technologies Pvt Ltd	-
Syed Ameeruddin	Operations Head	48,00,000	MBA	19 Years	35	1-May-2016	JNIT Technologies PVT LTD	-
Mohammed Aziz Pasha	Bench Sales Executive	26,03,880	B.TECH/ MBA	11 Years	33	1-May-2016	JNIT Technologies PVT LTD	-
Sanjay M. Chauhan	CFO	24,00,000	CA Intermediate	19 Years	42	1-May-2016	JNIT Technologies PVT LTD	-
Tej Anand	Business Development	16,10,004	Graduate	10+ Years	33	10-02-2023	Techtree	-
Kahkashan Parween	Business Development Manager	14,71,200	B.com	9 Years	34	11 February 2022	Direct IT Staffing	-
Santhosh Raparthi	USIT Bench Sales	14,27,748	B.Tech	8 Years	32	06-10-2015	JNIT Technologies PVT LTD	-
Mohammed Zuber Ahmed	USIT Bench Sales	13,77,132	MBA	11 Years	33	06-10-2015	SERCO PVT LTD	-
Nilandri Routray	Recruitment	13,12,008	B.com	6 Years	31	16-03-2016	JNIT Technologies PVT LTD	-
Glitin Dhasarathan Stanley Babu D	Business Development	12,00,004	Graduate	10+ Years	36	01-05-2023	Proficient Now	-

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



Names of Employees	Names of employees who are relatives of any Director
Arjun Naik Syed Ameeruddin	No Relation with any Director No Relation with any Director
Mohammed Aziz Pasha Sanjay M. Chauhan	No Relation with any Director No Relation with any Director
Tej Anand Kahkashan Parween Santhosh Raparthi Mohammed Zuber Ahmed Nilandri Routray Glitin Dhasarathan Stanley Babu D	No Relation with any Director No Relation with any Director No Relation with any Director No Relation with any Director No Relation with any Director No Relation with any Director

For and on behalf of the Board of Directors

Date: September 2, 2023

Registered Office:

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

Joseph Sudheer Reddy Thumma
Managing Director
[DIN: 07033919]

Jagan Mohan Reddy Thumma,
Director
[DIN: 06554945]



Annexure - IV

FORM AOC-I

Statement Containing salient features of the financial statements of subsidiaries/associate companies /joint ventures as included in the Consolidated Financial Statements

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.									
Name of the subsidiaries	Subsidiary Acquisition date	Reporting Currency	Exchange rate	Share capital	Reserves &	Total Assets	Total Liabilities	Invest ments	Gross Turnover
*JNIT Inc (Consolidated)		USD	82.2169	0.75	9,714.13	24,370.63	14,655.76	-	27,896.84
Ivis International Private Limited	01-May-22	INR	1.00	1415.72	9,507.59	19,565.40	8,642.09	-	11,480.49
Provigil Surveillance Private Limited	09-Nov-23	INR	1.00	106.67	2,834.80	9,732.53	6,791.06	-	11,510.94
Scan Dron Private Limited	16-Mar-23	INR	1.00	200.00	-578.05	1,323.73	1,701.78	-	-
Serial Enterprise Private Limited	01-Oct-22	INR	1.00	87.95	41.42	468.00	338.62	-	474.68

Profit/(Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest
4,624.06	643.85	3,980.21	-	100%
2,767.34	757.05	1,922.76	-	100%
1,032.73	251.89	174.21	-	100%
-39.30	-	-39.30	-	70%
-7.18	-	-7.18	-	100%

*This includes Motivity India Private Limited and Motivity Inc numbers.



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

	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	-
ii	Not Considered in Consolidation	-

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

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

For Magellanic Cloud Limited (Formerly South India Projects Limited)

Jagan Mohan Reddy Thumma
 (Director)
 DIN: 06554945

Joseph Sudheer Reddy Thumma
 (Managing Director)
 [DIN: 07033919]

Sanjay Chauhan
 (Chief Financial officer)

Sameer Lalwani
 (Company Secretary)

DATE: September 2, 2023

Annexure - V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. OVERVIEW:

The objective of this report is to convey the Management's perspective on the external environment and IT industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY 2022-23. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

II. EXTERNAL ENVIRONMENT:

1. Global Economy

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-

19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. Further, the ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption and the ongoing tension between Russia and Ukraine have limited the growth prospects

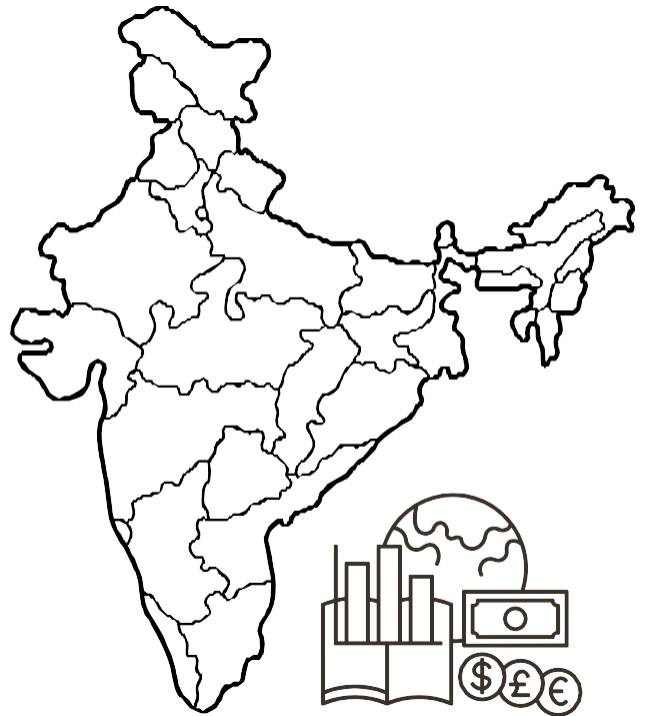


Outlook

Global growth is projected to slow-down from an estimated 6.1% in 2021 to 3.6% in 2022—0.8 percentage-point lower than what was envisioned in the last World Economic Outlook (WEO) of January 2022, largely reflecting forecast markdowns in USA and China. In USA, a revised assumption of removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages have induced a downgrade in the outlook by 1.2 percentage-points. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow down to 3.6% in 2023.

2. Indian Economy

Amidst the challenges brought by the COVID-19 pandemic leading to disruptions in supply chain and surging inflation rate, the Indian Government introduced various policies to cushion the impact on the domestic economy and in specific vulnerable sections of society and the business sector. Through its policies, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. With the vaccination programme having covered the majority of the population, recovering economic momentum and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of around 8.0%-8.5% in 2022-23.



III. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company is a part of an Industry, which largely operates through unorganized constituents. However, unlike the industry, the Company has attempted to operate through as systematic and organized manner as possible.

IV. OPPORTUNITIES AND THREATS:

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

- ◆ Induction of widely experienced and specialized personnel on the Board.
- ◆ Good combination of technical as well as advisory personnel in the management. Some of
- ◆ the world retail majors have decided sometime back to source part of their requirements
- ◆ from India. The unfavorable government policies cut throat competition amongst manufacturers and exporters remains major concerns for the Business.

V. CHANGES IN KEY FINANCIAL RATIOS:

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

S.no	Key Financial Ratio	-	FY 2022-23	FY 2021-22
1	Debtors Turnover Ratio	Times	5.01	11.71
2	Current Ratio	Times	0.21	1.31
3	Debt Equity Ratio	Times	0.51	0.34
4	Operating Profit Margin	%	85%	65%
5	Debt Service Coverage Ratio	%	0.33%	5.87%
6	Net Profit Margin	%	19%	17%
7	Change in Return on Net Worth	%	7.36%	6.51%

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

VI. RISK AND CONCERNS:

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

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

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

VII. DISCUSSION ON FINANCIAL PERFORMANCE OF THE COMPANY:

The financial performance of the Company has declined in the year under review.

During the year under review, the Standalone total Income was INR 5610.51 Lakhs as against INR 1767.82 lakhs for the corresponding previous year.

Total Comprehensive income for the period was INR 1068.94 Lakhs as against INR 249.56 Lakhs in the corresponding previous year.

VIII. INDUSTRIAL RELATIONS AND HUMAN RESOURCES:

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

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

IX. CAUTIONARY STATEMENT:

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

For and on behalf of the Board of Directors

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

Joseph Sudheer Reddy Thumma
(Managing Director)
[DIN: 07033919]

Date: September 2, 2023

Registered Office:

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

Annexure - VI
FORM MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

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

To,
The Members,
Magellanic Cloud Limited
Regd. Office: 6th Floor, Dallas Center, 83/1,
Plot No A1, Knowledge City,
Rai Durg, Hyderabad, Telangana - 500032.

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

Based on my said verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 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.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(to the extent as may be applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): –
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)

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

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

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

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

I further report that:

- ◆ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- ◆ Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- ◆ All the resolutions were passed with consent of majority Directors

I further report that:

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

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

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

**Place: Mumbai
Date: 17/08/2023**

**DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652E000817430**

Annexure to Secretarial Report and forming part of the report

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

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

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

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

Place: Mumbai
Date: 17/08/2023

DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652E000817430

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To
The Members,
M/s. **PROVIGIL SURVEILLANCE LIMITED**,
Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. PROVIGIL SURVEILLANCE LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the M/s. PROVIGIL SURVEILLANCE LIMITED 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. We hereby report that in my/our opinion, the company has, during the audit period covering the financial year 01st April 2022 to 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. PROVIGIL SURVEILLANCE LIMITED ("the Company") for the financial year 01st April 2022 to 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with 'Nil' Stock Exchange(s),
if

applicable; The Company is unlisted Company. It is the wholly owned subsidiary of 'Magellanic Cloud Ltd'(A Listed Entity)

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

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

All the resolutions were passed with consent of majority Directors

We 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.

We further report that during the audit period the company got acquired by the 'Magellanic Cloud Ltd'(A Listed Entity)

For VCSR & Associates

Company secretaries

(Ch. Veeranjanyulu)

Partner

C P No.:6392

UDIN: F006121E000957456

Place: Hyderabad

Date: 06.09.2023

'ANNEXURE'

To
The Members,
M/s. **PROVIGIL SURVEILLANCE LIMITED**,
Hyderabad.

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

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

For VCSR & Associates
Company secretaries

(Ch. Veeranjanyulu)
Partner
C P No.:6392
UDIN: F006121E000957456

Place: Hyderabad
Date: 06.09.2023

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
M/s. IVIS INTERNATIONAL PRIVATE LIMITED,
Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. IVIS INTERNATIONAL PRIVATE LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the M/s. IVIS INTERNATIONAL PRIVATE LIMITED 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. We hereby report that in my/our opinion, the company has, during the audit period covering the financial year 01st April 2022 to 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. IVIS INTERNATIONAL PRIVATE LIMITED ("the Company") for the financial year 01st April 2022 to 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with 'Nil' Stock Exchange(s), if applicable; The Company is unlisted Company. It is the wholly owned subsidiary of 'Magellanic Cloud Ltd'(A Listed Entity)

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

We further report that The Board of Directors of the Company is duly constituted. 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

All the resolutions were passed with consent of majority Directors

We 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.

We further report that during the audit period the company got acquired by the 'Magellanic Cloud Ltd'(A Listed Entity) and the registered office of the Company has been shifted from the state of Andhra Pradesh to the state of Telangana.

**For VCSR & Associates
Company secretaries**

(Ch. Veeranjanyulu)

Partner

C P No.:6392

UDIN: F006121E000957368

Place: Hyderabad

Date: 06.09.2023

'ANNEXURE'

To
The Members,
M/s. IVIS INTERNATIONAL PRIVATE LIMITED,
Hyderabad.

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

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

**For VCSR & Associates
Company secretaries**

**(Ch. Veeranjanyulu) Partner
C P No.:6392
UDIN: F006121E000957368**

**Place: Hyderabad
Date: 06.09.2023**

ANNEXURE-VII

SECRETARIAL COMPLIANCE REPORT

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

Annual Secretarial Compliance Report of "MAGELLANIC CLOUD LIMITED (Formerly known as South India Projects Limited)" for the year ended March 31, 2023

We, Deep Shukla & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by **MAGELLANIC CLOUD LIMITED [C/N; L72100MH1981PLC339095]** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) other relevant document(s)/ filing, which has been relied upon to make this certification,

for the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, are:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 *(to the extent applicable)*;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 *(to the extent applicable)*;
- (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***[Not applicable during the review period]***
- (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; ***[Not applicable during the review period]***
- (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***[Not applicable during the review period]***
- (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and

- Redeemable Preference Shares) Regulations, 2013; ***[Not applicable during the review period]***
- (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *(to the extent applicable)*;
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended;
- (k) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008; ***[Not applicable during the review period]***
- (l) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/guidelines issued thereunder.

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

Additional Affirmations

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1	<p><u>Secretarial Standards:</u></p> <p>We have conducted a review of the compliance of listed entity in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</p>	Yes	
2	<p><u>Adoption and timely updation of the Policies:</u></p> <p>All applicable policies under SEBI Regulations are adopted with the approval of board of directors / committees, as may be applicable of the listed entity.</p> <ul style="list-style-type: none"> • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/guidelines issued by SEBI. 	Yes	

3	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> • The listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website. 	Yes	
4	<p><u>Disqualification of Director:</u></p> <p>None of the Director of the listed entity are disqualified under Section 164 of Companies Act, 2013.</p>	Yes	
5	<p>To examine details related to Subsidiaries of listed entity:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	Yes	
6	<p><u>Preservation of Documents:</u></p> <p>As per the confirmations given by the listed entity, and on our test check basis, it is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under Listing Regulations.</p>	Yes	
7	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees on an annual basis as prescribed in SEBI Regulations</p>	Yes	
8	<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) In case no prior approval obtained, the listed entity shall</p>	Yes	
	<p>provide detailed reasons along with confirmation whether the transaction were subsequently approved/ratified/rejected by the Audit committee.</p>		

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

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

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

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification /Fine/ Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretar	Management Response	Remarks
1.	Shareholding Pattern	131		Fine	fine of Rs. 4,000	Late submission of shareholding pattern	4,000	As informed by the management, they	[As informed by the management, they have	-

						for the quarter ended Mar-2016		have made the payment of fine, as imposed by BSE, on 25th August, 2022	made the payment of fine, as imposed by BSE, on 25th August, 2022	
2.	Annual Report	134		Fine	fine	Late submission of Annual report for the year ended Mar-2017	Outstanding Rs. 6000/-	As informed by the management, they have made the payment of fine, as imposed by BSE, on 25th August, 2022	As informed by the management, they have made the payment of fine, as imposed by BSE, on 25th August, 2022	
3.	Appointment of Compliance Officer	(1)		Fine	fine	Non-Appointment of Compliance officer for the year ended Mar-2021	84000	As informed by the management, they have made the payment of fine, as imposed by BSE, on 25th August, 2022	As informed by the management, they have made the payment of fine, as imposed by BSE, on 25th August, 2022	
4.	Constitution of Nomination and remuneration committee.	19(1)		Fine	fine	Non-Appointment of Compliance officer	184000	As informed by the management, they have made the	As informed by the management, they have made the	

						for the period ended Sep-2018		payment of fine, as imposed by BSE, on 25th August, 2022	payment of fine, as imposed by BSE, on 25th August, 2022	
--	--	--	--	--	--	-------------------------------	--	--	--	--

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

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviation	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
The Company has paid the all penalties as imposed by BSE in last year's report										

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

Deep Shukla
Practicing Company Secretaries
(Peer Review Certificate No.: 2093/2022)
FCS : 5652; CP : 5364
UDIN: F005652E000301948
Date: 13/05/2023
Place: Mumbai

Annexure VIII

CORPORATE GOVERNANCE REPORT

1. INTRODUCTION

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

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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.

3. BOARD OF DIRECTORS:

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.

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

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

- ◆ As on March 31, 2023, the Board comprised of 6 (Six) Directors out of which 3 (Three) are Non-Executive Independent Directors and 3 (Three) are Executive Directors.
- ◆ Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.
- ◆ The composition of the Board of Directors and also the number of other Companies of which he/she is a Director and Member/ Chairman as on March 31, 2023, are as under:

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

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

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

BOARD PROCEDURE:

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

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

- During the year 16 (Sixteen) Board Meetings were held during the financial year ended March 31, 2023, the dates of which are April 19, 2022; April 26, 2022; May 25, 2022; July 7, 2022; July 14, 2022; August 8, 2022; November 11, 2022; February 02, 2023; February 08, 2023; February 13, 2023; March 02, 2023; March 09, 2023; March 14, 2023; March 16, 2023; March 23, 2023 and March 28, 2023.

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 10/08/2022)
Mr. Jagan Mohan Reddy Thumma	16	Present
Mr. Joseph Sudheer Reddy Thumma	15	Present
Mr. Carwin Heierman	14	Present
Miss. Nikitha Tiparnapally	01	Present
Mr. Robert Alan Forbes Jr.	01	Absent
Mr. Elisha Thatisetty	04	Present

4. AUDIT COMMITTEE

BROAD TERMS OF REFERENCE:

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

COMPOSITION:

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

The constitution of the Audit Committee as on March 31, 2023 is as follows:

S.N O	Name of Directors	Executive/Non-Executive Independent
01	Miss. Nikitha Tiparnapally	Chairperson, (Non-Executive - Independent Director)
02	Mr. Robert Alan Forbes Jr.	Member, (Non-Executive Independent Director)
03	Mr. Elisha Thatisetty	Member, (Non-Executive Independent Director)

MEETINGS AND ATTENDANCE :

During the year 06 (Six) Audit Committee meeting were held during the financial year ended March 31, 2023, the dates of which are April 26, 2022; May 25, 2022; July 07, 2022; August 08, 2022 November 11, 2022 and March 02, 2023. The attendance at the Committee Meetings is as under:

S.NO	Name of Directors	Executive/Non-Executive Independent	No. of meetings attended
01	Miss. Nikitha Tiparnapally	Chairperson, (Non-Executive - Independent Director)	06
02	Mr. Robert Alan Forbes Jr.	Member, (Non-Executive Independent Director)	02
03	Mr. Elisha Thatisetty	Member, (Non-Executive Independent Director)	05

The Chairperson of the Committee was present at the Annual General Meeting of the Company held on 10/08/2022 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 31st March, 2023.

COMPOSITION:

The constitution of the Audit Committee as on March 31, 2023 is as follows:

S.NO	Name of Directors	Executive/Non-Executive Independent
01	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)
02	Miss. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent Director)
03	Mr. Elisha Thatisetty	Member, (Non-Executive Independent Director)

MEETINGS AND ATTENDANCE :

During the year 04 (Four) Meetings were held during the financial year ended March 31, 2023, the dates of which are May 25, 2022; August 08, 2022, November 11, 2022 and March 02, 2023.

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

S.NO	Name of Directors	Executive/ Non-Executive Independent	No. of meetings attended
01	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)	04
02	Miss. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent)	04
03	Mr. Elisha Thatisetty	Member, (Non-Executive Independent)	03

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:

S.NO	Name of Directors	Executive/Non-Executive Independent
01	Mr. Jagan Mohan Reddy Thumma	Member, (Executive Director)
02	Miss. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent Director)
03	Mr. Elisha Thatisetty	Member, (Non-Executive Independent Director)

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

The Company's Remuneration Policy for Key Managerial Personnel and Other employees is driven by the success and the performance of the Company and the individual & industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation 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:

- ◆ 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; formulation of criteria for evaluation of
- ◆ performance of independent directors and the Board of Directors;
- ◆ devising a policy on diversity of Board of Directors;
- ◆ 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;

S.N	Names of Directors/ KMP	Executive/Non-Executive Independent	Amt. (in Rs.)
1.	Mr. Jagan Mohan Reddy Thumma	Managing Director	4,80,000
2.	Joseph Sudheer Reddy Thumma	Managing Director designated as Global CEO	Nil
3.	Mr. Carwin Heierman	Executive Director	Nil
4.	Miss. Nikitha Tiparnapally	Non-Executive Director Independent Director	Nil
5.	Mr. Robert Alan Forbes Jr.	Non-Executive Director Independent Director	Nil
6.	Mr. Elisha Thatisetty	Non-Executive Director Independent Director	Nil
7.	Mr. Sanjay M. Chauhan	Chief Financial Officer	24,00,000
8.	Mr. Sameer Lalwani	Company Secretary	8,50,000

- ◆ 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 2022-23:

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

MEETINGS AND ATTENDANCE:

During the year 04 (Four) Meetings were held during the financial year ended March 31, 2023, to consider and approve the appointment of Directors and other senior officer of the Company, the dates of which are April 19, 2022; July 14, 2022; November 11, 2022, and March 02, 2023.

The attendance at the Remuneration Committee Meeting as on March 31, 2023, are as under:

S.NO	Name of Directors	Executive/ Non-Executive Independent	No. of meetings attended
01	Robert Alan Forbes Jr.	Member, (Non-Executive Independent Director)	03
02	Miss. Tiparnapally Nikitha	Chairperson, (Non-Executive Independent Director)	04
03	Mr. Elisha Thatisetty	Member, (Non-Executive Independent Director)	03

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
2019-20	28/09/2020	Meeting held through Video Conferencing	10.00 A.M.	01
2020-21	28/09/2021	Meeting held through Video Conferencing	10.00 A.M.	01
2021-22	10/08/2022	Meeting held through Video Conferencing	11.00 A.M.	06

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

7. 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.

8. 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.

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

approved a policy for related party transactions which has been uploaded on the Company's website www.magellanic-cloud.com.

ii. Disclosures from Senior Management

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

iii. Compliances by the Company

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

iv. Whistle Blower Policy/ Vigil Mechanism

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

- 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.

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

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

vii. **Subsidiary Companies**

The Company has two foreign subsidiary company and Five Indian subsidiary companies as on March 31, 2023.

The Policy of Material Subsidiaries is available on website of the Company at the link 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.

viii. Sexual Harassment Policy

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

S.NO	Particulars	No. of Complaints
01	Complaints filed during the financial year	Nil
02	Complaints disposed of during the financial year	Nil
03	Complaints pending as on end of the financial year	Nil

X. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report. xi.Independent

Directors

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

Xii. Share Reconciliation Audit

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

xiii. Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the financial year ended 31st March, 2023 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

xiv. Details of utilization of funds raised through preferential allotment or qualified institutions placement:

On March 09, 2023, the Company has allotted 11,33,500 Equity Shares of Face Value of ₹ 10/- each at a premium of ₹ 385/- each amounting to Rs. 44,77,32,500/- to Strategic Investors being Non-Promoters on Preferential Allotment basis through Resolution passed in the Extra Ordinary General Meeting held on 8th March, 2023.

1. The proposed issue of 12,01,000 Equity Shares to Strategic Investors (being Non- Promoters) on Preferential allotment basis is to make investments in Ventures and diversifying the business of the Company to explore business opportunities in Multiple Business Activities including the Drone Business, working capital requirements and general corporate purpose.

xv. Recommendation by Committee:

The Board has accepted all recommendations made by its committees during the financial year ended 31st March, 2023.

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

Nature of Payments	Amount (Rs. In Lakhs)
Statutory Audit	18.00
Tax Audit	4.00
Other Services including reimbursement of expenses	1.44
Total :	23.44

xvi. Disclosure of the compliance with Corporate Governance:

The Company has complied with the Regulations 17-21, 22-23, 24A, 25-27 and Clauses (b) to (i) of sub- regulations (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year ended 31st March, 2023.

10. MEETING OF INDEPENDENT DIRECTOR:

During the year under review, a separate meeting of the Independent Directors was held in the F.Y. 2022-23. 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.

11. MEANS OF COMMUNICATION:

The Quarterly Reports of the Company are published in accordance with the Requirements of the Listing Agreement of the Bombay Stock Exchange Ltd.

Newspapers in which results are normally published:

1. Business standard (English)
2. Mana Telangana News (Regional Language)

12. GENERAL SHAREHOLDERS' INFORMATION:

1. Annual General Meeting Scheduled to be Held:

Day & Date : Saturday, September 30, 2023
Time : At 11.30 A.M.
Venue : Through Video Conferencing or OAVM

2. **Date of Book Closure** : September 23, 2023 to September 30, 2023 (Both days inclusive).

3. **Financial Calendar**: The next financial calendar year of the Company will be from 1st April, 2023 to 31st March, 2024.

Audited/ Unaudited	Particulars of Financial Reporting	Date
Unaudited	Financial Reporting for the quarter ending 30th June, 2023	Up to 15th Aug, 2023
Unaudited	Financial Reporting for the quarter ending 30th September, 2023	Up to 15th Nov, 2023
Unaudited	Financial Reporting for the quarter ending 31st December, 2023	Up to 15th Feb, 2023
Audited	Financial Reporting for the Audited Financial Result as on 31st March, 2024	Up to 30th May 2024

4. Listing on Stock Exchanges:

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

5. Stock Codes:

Bombay Stock Exchange Limited: 538891

6. Stock Price Data:

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

Month	*BSE	
	Share Price (Rs.)	
	High	Low
Apr-2022	410	312.25
May-2022	388	270.50
Jun-2022	344.95	286.10
Jul-2022	390.00	315.85
Aug-2022	387.90	323.50
Sep-2022	348.75	304.00
Oct-2022	328.00	302.00
Nov-2022	351.30	310.00
Dec-2022	459.00	341.05
Jan-2023	486.90	437.00
Feb-2023	505.95	426.55
Mar-2023	664.00	164.50

* Source: BSE Website

7. Performance in comparison

*The company Fully Paid Share Price versus BSE Sensex



* Source: BSE Website

8. Address for Correspondence:

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

9. Share Transfer System:

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

10. Dematerialization of shares:

As on 31st March, 2023, 11,67,36,864 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 11,68,79,024 aggregating to 99.88%

11. Distribution of shareholding as on 31st March, 2023:

No. of shares held	No. of shareholders	No. of shares held	% of shareholding
1 to 500	6819	5,04,408	0.4316
501 to 1000	394	2,96,314	0.2536
1001 to 5000	579	13,18,689	1.1283
5001 to 10000	133	9,77,756	0.8366
10001 to 50000	149	34,40,076	2.9433
50001 to 100000	35	26,34,553	2.2541
100001 and Above	59	10,77,07,228	92.1527
TOTAL	8168	11,68,79,024	100.0000

12. Shareholding Pattern as on 31st March, 2023:

Particulars of Category	Number of Shareholders	Shares	
		Number	% to total Capital
(A) Promoter and Promoter Group Holding			
1. Individual / Hindu Undivided Family	5	68542720	58.65
Bodies Corporate	-	-	-
Total (A)	5	68542720	58.65
(B) Non - Promoter Holding			
Institutions			
Financial Institutional Investors (FIIs)/Banks	-	-	-

Trusts	-	-	-
Non-Institutions			
Bodies Corporate	29	53140	0.05
Indian Public	8070	37355786	31.97
NRIs	46	10867068	9.30
Clearing Members	17	50039	0.03
Hindu Undivided Family	-	-	-
Investor Education And Protection Fund Authority	-	-	-
Total (B)	8162	48326033	41.35
Grand Total (A)+(B)	8167	11,68,68,753	100

Shareholding pattern in case of dematerialization shares has been prepared based on download of data received from NSDL / CDSL as on 31st March 2023.

13. Top 10 Shareholders as on March 31, 2023

SN	For Each of the Top 10 Shareholders	Shareholding as on 31 st March, 2023	
		No. of shares	% of total shares of the company
1.	Jethalal Thakarshi Vora	760000	0.650
2.	Mahendrakumar Manilal Chauhan	2856244	2.444
3.	Pramod Hirabhai Parmar	948864	0.812
4.	Rajitha Dosapati	719600	0.616
5.	Syed Ameeruddin	916984	0.785
6.	Thangavelu Selvaraj	5108080	4.370
7.	Urmila Jethalal Vora	760000	0.650
8.	Varsha Chauhan	2990900	2.559
9.	Venkatesan Ramasamy	5108000	4.370
10.	Vijay Mahendra Chauhan	3139216	2.686

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, 2023 and that to the best of our knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

There have been no

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

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

**Place: Hyderabad
Date: 02/09/2023**

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

**Sanjay Chauhan Chief
Financial Officer**

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

To,
The Members of
Magellanic Cloud Limited

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number(DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.N	DIN No.	Names of Directors/ KMP	Date of Appointment
1.	06554945	Mr. Jagan Mohan Reddy Thumma	01/10/2016
2.	07033919	Mr. Joseph Sudheer Reddy Thumma	10/07/2019
3.	08458981	Mr. Carwin Heierman	28/05/2019
4.	07399613	Miss. NikithaTiparnapally	26/02/2016
5.	08459003	Mr. Robert Alan Forbes Jr.	28/05/2019
6.	08531842	Mr. Elisha Thatisetty	14/08/2019

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

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

**DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652E000839463**

Place: Hyderabad
Date: 22/08/2023

DECLARATION BY THE MANAGING DIRECTOR ON 'CODE OF CONDUCT'

I hereby confirm that:

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

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

**Place: Hyderabad
Date: 22/08/2023**

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

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

I have examined the compliance with the conditions of Corporate Governance by Magellanic Cloud Limited ('the Company') for the year ended March 31, 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

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

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

Sd/-
DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364
UDIN: F005652E000839815

Place: Mumbai
Date: 22/08/2023

Annexure – IX

Magellanic believe that business enterprises are economic organs of society and draw on societal resources. In the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. We strive to position ourselves as a prominent player in the global sustainable environmental transition. As a responsible business, we readily embraced our commitment to integrate environmental, social and governance (ESG) factors into our operations.

Magellanic has adopted the Business Responsibility and Sustainability Report (BRSR) for fiscal 2023 to provide enhanced disclosures of our ESG practices and priorities. Our BRSR includes our responses to questions about our practices and performance on key principles defined by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, which cover topics across the ESG dimensions.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity:	L72100TG1981PLC169991
2. Name of the Listed Entity:	Magellanic Cloud Limited
3. Year of incorporation:	December 04, 1981
4. Registered office address:	6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Hyderabad, Telangana, 500032
5. Corporate address:	6th Floor, Dallas Center, 83/1, Plot No A1, Knowledge City, Rai Durg, Hyderabad, Telangana, 500032
6. E-mail:	compliance@magellanic-cloud.com
7. Telephone:	040-46515454
8. Website:	www.magellanic-cloud.com
9. Financial year for which reporting is being done:	April 1, 2022 to March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed:	BSE Limited (BSE) Code: 538891
11. Paid-up Capital:	₹ 116,87,90,240
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	<ul style="list-style-type: none"> • Name: Mr. Jagan Mohan Reddy Thumma • Designation: Managing Director • Telephone Number: 040-43366058 • E-mail ID: compliance@magellanic-cloud.com

<p>13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):</p>	<p>Disclosures made in this report are on a standalone basis and pertain only to Magellanic Cloud Limited.</p>
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II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

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

**The Company transferred its FMCG Division by way of slump sale and made its wholly owned subsidiary with the approval of Members in the AGM held on August 10, 2022.*

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

S. No.	Product/Service	NIC Code	% of total Turnover Contributed (FY 2022-23)
1.	IT Consulting Services	6201	99.18%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

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

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

17. Markets served by the entity:

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

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

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

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

b. A brief on types of customers

- Business to Business

IV. Employees

18. Details as at the end of Financial Year: FY 2022-2023

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (B)	% (B / A)
EMPLOYEES						
1.	Permanent (D)	149	114	76.51%	35	23.48%
2.	Other than Permanent (E)					
3.	Total employees (D + E)	149	114	76.51%	35	23.48%

Note:

b. Differently abled Employees and workers:

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<u>DIFFERENTLY ABLED EMPLOYEES</u>						
1.	Permanent (D)	1	1	100%	-	-
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)	1	1	100%	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%

Business Responsibility & Sustainability Report FY 22-23



Key Management Personnel*	4	0	-
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* Key Management Personnel are Managing Director (MD), Global Chief Executive Officer and Managing Director (CEO & MD), Chief Financial Officer (CFO) and Company Secretary (CS).

20. Turnover rate for permanent employees

	FY 20-21(In %)			FY 21-22 (in %)			FY 22-23(In %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	68.08	57.6		34.9	66.66		82.45	60	
Other than permanent employees	NA								

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

21. (a) Names of holding / subsidiary / associate companies / joint ventures

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

7	Serial Enterprise Private Limited	Subsidiary	100	No
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VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) No

(ii) Turnover (in ₹.): NA

(iii) Net worth (in ₹.): NA

(iv) Total amount spent on CSR for FY 2023: NA

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism In Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 22-23			FY 21-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	-	-	-	-	-	-
Employees	Yes	-	-	-	-	-	-
Customers	Yes	-	-	-	-	-	-
Value Chain Partners	Yes	-	-	-	-	-	-

Business Responsibility & Sustainability Report FY 22-23

Others (Please Specify)	-	-	-	-	-	-	-
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- Stakeholders having grievances can get redressal of their complaints/grievances in the following manner:
 - Filing their complaint on SEBI SCORES Portal:- <https://www.scores.gov.in/scores/Welcome.html>
 - Writing directly to the Designated Official of the Company for Investor Grievances.
 - Filing a complaint with BSE:- <https://bsecregs.bseindia.com/ecomplaint/frmInvestorHome.aspx>
 - By writing directly to the Registrar and Share Transfer agent of the company
 - Vigil Mechanism of the company - send email to dedicated Whistleblower email id.
 - Stakeholders can also approach statutory authorities for the redressal of their grievances.
 - Employees can file a POSH complaint with the company in the manner prescribed.
 - Customers having service quality-related issues can always approach the company.

- The Company policies are placed on the Company's website under Policies and the same can be accessed through the web link: <https://magellanic-cloud.com/investors/#>

24. Overview of the entity's material responsible business conduct issues

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Environment: Climate Change	Risk	Climate change risks are increasingly manifesting in our business as strategic risks, physical risks, and transitional risks	A holistic approach towards carbon neutrality each year including energy efficiency, renewable	Negative: Increased operating costs in meeting the environmental standards.

Business Responsibility & Sustainability Report FY 22-23



			(market and compliance) that, if not managed adequately, could adversely affect our operations, reputation, and profitability.	energy and carbon offsets.	
2.	Governance: Data privacy and information management	Risk	Cyber-attacks that breach our information network and / or failure to protect sensitive and confidential information of our stakeholders in accordance with applicable laws and contractual obligations may impact our operations and client satisfaction or result in significant regulatory penalties.	<ul style="list-style-type: none"> - Continued investment in technology. - Awareness programs and trainings. - Cybersecurity and data privacy frameworks and controls. 	Negative: Increased operational cost for technological investments and hiring and training talent
3.	Governance: Information Technology Security Practices	Opportunity	Increasing revenue from cybersecurity service offerings and solutions.		Positive: Minimize Cyber Security and data privacy breach threats to Magellanic and our customers through advanced cybersecurity solutions and adoption of leading data privacy standards
4.	Carbon Emissions	Risk	Increased business will lead to the need for more offices, resulting in a rise in emissions from the increase in electricity usage.	Implementation of energy-efficient technologies and renewable power will help in reducing emissions and help the company achieve its targets.	Negative - Investments in environmentally friendly technology and processes for reducing emissions will lead to increased operating costs.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)									
c. Web-Link of the Policies, if available	https://magellanic-cloud.com/investors/#								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's Code of Conduct largely imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same in all their dealings.								
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Governance, Leadership and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
Our environmental, social, and governance review, as an Information Technology solution service Company, provides a window into how we are approaching our key responsibilities beyond the business needs. The section's goal is to convey how we're accomplishing our mission while staying loyal to our obligations and applying our values throughout the									

organisation.

ESG Initiatives and focus areas:

Environment- Key focus areas under Environment

- **Energy Efficiency**

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

- **Water Management**

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

- **Waste Management**

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

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

Social- Key focus areas under Social

- **Customer Focused**

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

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

- **Employee-Centricity**

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

The Company's Board of Directors has established policies to promote diversity and gender equality. The value of excellent behavior and ethical work is paramount in Magellanic. At work, there is a zero-tolerance policy for sexual harassment, and the

Prevention of Sexual Harassment (POSH) policy is fully defined. We treat persons of all sexes, castes, and creeds with respect. Employees' and their family members' health and safety are ensured, and medical aid is provided.

- **Communities**

We've always risen to the occasion when it came to the wellbeing of the community. During difficult times, we have gone above and beyond to assist local welfare organisations and foundations with basic requirements and necessities.

As Covid-19 wreaked havoc on markets and businesses all around the world, Magellanic stepped in to help by donating food and first aid. We assisted in raising awareness of the importance of adopting Covid-appropriate behaviour in the most effective way possible.

- **Investors**

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

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

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

Governance:

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

Looking Forward

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

Magellanic is looking to build a strong IT Solutions, Human Capital, E-Surveillance and Drone Solutions offerings globally. We strongly believes we have very strong team of experts with wide experience of working with customers from myriad Industries,

<p>incorporating the most updated technology trends in order to provide most innovative and suitable solutions meeting customer needs. The Company also plans to assist its client in inspection through drones in industries like shipping, civil, agriculture, industrial and infrastructure projects and oil and gas services and hence entered into new line of very promising Drone Industry and looking for more acquisitions in said industries.</p>	
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<ul style="list-style-type: none"> • Name: Mr. Jagan Mohan Reddy Thumm • DIN: 06554945 • Designation: Managing Director
<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>The Board of Directors is responsible for decision-making on BRSR.</p>

10. Details of Review of NGRBCs by the Company:

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

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

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

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

<p>Principle 1: Business should conduct and govern itself with ethics, transparency and accountability</p>	<p>Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle</p>	<p>Principle 3: Business should promote the well-being of all employee.</p>
<p>Principle 4: Business should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised</p>	<p>Principle 5: Business should respect and promote human rights</p>	<p>Principle 6: Business should respect, protect and make efforts to restore environment</p>
<p>Principle 7: Business, when engaged in influencing public and regulatory policy/policies, should do so in a responsible manner</p>	<p>Principle 8: Business should support inclusive growth and equitable development</p>	<p>Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner</p>

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

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

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

The Company conducts all its operations in ethical and transparent manner. Hence the Company has not incurred any fines / penalties /punishment/ award/ compounding fees/ settlement amount from regulators/ law enforcement agencies/ judicial institutions in the FY 2022-2023.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. Not applicable**
4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**
Yes, The Company covers anti-corruption or anti-bribery policy through its Code of Conduct Policy. The Company has accepted the Code of Business Conduct and Ethics,

which outlines the minimum ethical and responsible business standards for employees, agents, suppliers, vendors, non-governmental organisations (NGOs), and business partners. Transparency and best practises are important to the Company. This Code of Conduct Policy ensures that laws against child labour are followed, as well as employees' health and safety is taken into consideration.

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

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

	<i>FY 22-23</i>	<i>FY 21-22</i>
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL

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

	<i>FY 22-23</i>		<i>FY 21-22</i>	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of the KMPs	NIL	NIL	NIL	NIL

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

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

Not Applicable. The Company does not have any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Leadership Indicators

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

The company carries out awareness / training programmes for its value chain partners depending on the business needs, stakeholder feedback and regulatory requirements covering various topics.

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

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

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

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	<i>FY 22-23 (Rs. In Lac.)</i>	<i>FY 21-22 (Rs. In Lac.)</i>	Details of Improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

Given the nature of business of the Corporation, the relevance of the above is largely restricted to Information Technology (IT) Research & Development. In FY23, Rs. 55.92 Lakhs incurred as Employees remuneration who were solely dedicated for R&D (as compared to Rs. 26.08 Lakhs in PY), which facilitated enhanced digital initiatives of the Corporation.

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

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

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

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

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

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

<p>(a) Plastics (including packaging): (b) E-waste: (c) Hazardous waste: (d) other waste:</p>	<p>Due to the nature of Company's business, scope regarding these parameters is limited. However, the Company recognizes the requirement to effectively handle waste in an environmentally friendly manner. In order to accomplish these goals, the Company promotes reusing and recycling whenever feasible and closely monitors progress in this area.</p>
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4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

Leadership Indicators

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

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

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

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing

Business Responsibility & Sustainability
Report FY 22-23



services (for service industry): NOT APPLICABLE.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: NOT APPLICABLE

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

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

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	70	87.5%	-	-	-	-	-	-	-	-	-
Female	10	12.5%	-	-	-	-	-	-	-	-	-
Total	80	100%	-	-	-	-	-	-	-	-	-

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % Of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % Of total employees	No. of workers covered as a % Of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	77.18%	-	Y	39.1%	-	Y
Gratuity	-	-	-	-	-	-
ESI	36.88%	-	Y	18.8%	-	Y
Others - please specify	-	-	-	-	-	-

3. Accessibility of workplaces

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

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with

Disabilities Act, 2016? If so, provide a web-link to the policy.

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

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

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

The Company believes that it is in the organization’s best interests to ensure that the people, talents and skills available throughout the community are considered when employment opportunities arise. To this end the company supports, wherever practicable, developing and maintaining a workforce, which broadly reflects the diversity of communities in which, we operate throughout India.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	Nil	Nil
Female	Nil	Nil
Total		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, give details of the mechanism)
Permanent Employees	Yes,
Other than Permanent Employees	Yes, through vigil mechanism

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity: NOT APPLICABLE

	<i>FY 22-23</i>	<i>FY 21-22</i>

	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	While Company doesn't have a labour union, the Company acknowledges and respects its employees' right to engage in peaceful association and collective bargaining. Additionally, the company encourages open communication and direct engagement between management and employees, fostering a healthy work environment.					
-Male						
-Female						
Total Permanent Workers	NA					
-Male						
-Female						

8. Details of training given to employees and workers:

Category	FY 22-23					FY 21-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	114	-	77%	-	-	75	-	82%	-	-
Female	35	-	23%	-	-	16	-	18%	-	-
Total	149	-	100%	-	-	91	-	100%	-	-

9. Details of performance and career development reviews of employees and worker:

Category	FY 22-23			FY 21-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	114	-	77%	75	-	82%
Female	35	-	23%	16	-	18%
Total	149	-	100%	91	-	100%

10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**
No
- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**
Not Applicable, the Company is service based and hence does not have any work-related hazards. The Company ensures safety of all its employees.
- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**
Not Applicable.
- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**
Yes

11. Details of safety related incidents, in the following format:

<i>Safety Incident/Number</i>	<i>Category</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Permanent Employees	0	0
Total recordable work-related injuries			
No. of fatalities			
High consequence work-related injury or ill-health (excluding fatalities)			

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company continues to strive to provide a good, welcoming, safe, and collaborative workplace. The Company will address this in greater detail in the future.

13. Number of Complaints on the following made by employees and workers:

	<i>FY 22-23</i>			<i>FY 21-22</i>		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks

Working Conditions	0	NA	NA	0	NA	NA
Health & Safety	0	NA	NA	0	NA	NA

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes. The Company ensures that TDS is deducted for all parties and a review is been conducted by internal and statutory audit team.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	<i>FY 22-23</i>	<i>FY 21-22</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
<i>Employees</i>	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) Not Applicable.

5. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

Note:

The Company does not conduct audit but all its value chain partners are expected to follow extant regulations, including health and safety practices and working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies key stakeholder groups based on their significance and potential to bring or add value to the Company's activities, products and services. Maintaining regular communication with the stakeholder is crucial, and inclusiveness is prioritized as a vital element of Company's core business strategy.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, Other	NA	<ul style="list-style-type: none"> • Understanding client, industry and business challenges • Identifying opportunities to improve • Deciding on investments and capabilities required

				to fulfil demand • Understanding client's data privacy and security requirements
Govt.	No	As needed	NA	NA
Employees	No	Direct, E-mail, Video conference & other communication mechanisms	Daily	Company follows an open-door policy
Shareholders / Investors	No	As needed: Email, Website & other		• Business update • Financial Performance • Statutory Communications
Regulatory and Statutory Authorities	No	Email, Other		Regulatory compliance
Suppliers	No	Email, Other	NA	NA

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company's business growth and value creation depend heavily on its stakeholders, and it is dedicated to engage with them in a meaningful and proactive manner throughout the year. By doing so, the company intends to address stakeholder's interests, concerns, and competing expectations in a responsible manner.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Active steps are being taken by the Company's Board to identify and collect data on material ESG factors in amalgamation with employees and stakeholders.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company is taking initiatives to identify the disadvantaged, vulnerable & marginalised stakeholders and engage with them.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

<i>Category</i>	<i>FY 22-23</i>			<i>FY 21-22</i>		
	Total (A)	No. employees/ workers covered (B)	% (B/A)	Total (C)	No. employee/ workers covered (D)	% (D/C)
Employees						
Permanent	149	149	100%	91	91	100%
Other than permanent						
Total Employees	149	149	100%	91	91	100%

Note:

The Company provides orientation to every employee that is hired which covers human rights issues and policy(ies). The Company is ensuring to collect more data on the training provided in regards to human rights issues.

2. Details of minimum wages paid to employees and workers, in the following format:

<i>Category</i>	<i>FY 22-23</i>					<i>FY 21-22</i>				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	114	7	5%	107	72%	75	3	3%	72	79%
Female	35	1	1%	34	23%	16	0	0%	16	18%

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	INR 4.8lac	1	-
Key Managerial Personnel (Other than BOD)	2	INR 16.88Lac	0	-
Employees other than BoD and KMP	112	INR 3.24	33	5.00Lac

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, Complaints pertaining to human rights issues are taken care by the Human Resource Department or Head of the respective departments and appropriate actions are taken as per the policies of the Company. The Head of Human Resource department (HR) of the Company is the authorized personnel responsible for implementing human right functions in the Company.

6. Number of Complaints on the following made by employees and workers:

	FY 22-23			FY 21-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	-	-	-
Other human Rights related	0	0	-	-	-	-

issues						
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Note:

The Company has a 'Policy on Prevention of Sexual Harassment'. There is an Internal Complaints' Committee formed to redress sexual harassment complaints.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a POSH policy in place to prevent adverse consequences to the complainant in discrimination and harassment cases .

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in all the agreements and contracts, , contain clauses on human rights viz non-engagement of child labour, personal hygiene, safety and welfare measures of workers etc.

9. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	The Company is in compliance with the laws, as applicable. The Company internally monitors compliance for all relevant laws and policies pertaining to these issues.
Forced or Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others - please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable. The Company conducts its business in the most ethical and transparent manner. Hence the Company does not have any corrective actions taken or underway.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No. The Company has not witnessed a requirement for its business process to be modified / introduced as the Company has not faced any human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company does not conduct any human rights due-diligence but is in the process of collecting more data.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the registered and corporate offices are located in commercial premises which have elevators and infrastructure for differently abled visitors

4. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. No specific assessment in respect of value chain partners has been carried out.
Discrimination at workplace	
Child labour	
Forced Labour/ Involuntary labour	
Wages	
Others - Specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable. The Company conducts its business in the most ethical and transparent manner. Hence the Company does not have any corrective actions taken or underway.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

<i>Parameter</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
Total electricity consumption (A)	611.6976 Giga Joules (GJ)	589.53 Giga Joules (GJ)
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	611.6976 Giga Joules (GJ)	589.53 Giga Joules (GJ)
Energy intensity per rupee of turnover (Total energy consumption GJ/ turnover in rupees)	Rs. 1.19	Rs. 1.41
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable. The Company belongs to IT service-based industry and does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

<i>Parameter</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
Water withdrawal by source (in kiloliters)		
(i) Surface water	Water consumption within the Company's office premises is exclusively allocated for	
(ii) Groundwater		

(iii) Third party water	human use, and the Company has taken measures to promote responsible water usage. While no formal monitoring system for water utilization is currently in place, the Company has implemented energy-efficient faucets and fixtures to encourage mindful consumption. Ongoing endeavors involve the acquisition of data regarding water consumption and minimizing wastage.
(iv) Seawater / desalinated water	
(v) Others	
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	
Total volume of water consumption (in kilolitres)	
Water intensity per rupee of turnover (Water consumed / turnover)	
Water intensity (optional) - the relevant metric may be selected by the entity	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA
Note:

The water usage is restricted to human use only and efforts have been made by the Company to ensure that water is consumed judiciously in the Company's office premises.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. The Company has not implemented a mechanism for Zero Liquid Discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 22-23	FY 21-22
NOx	No substantial air emissions have been made by the Company as it is a service sector company. It is however working to collect all the possible relevant data on emissions generated.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Note:

Business Responsibility & Sustainability Report FY 22-23



The Company being in a service sector company does not have significant air emissions.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & Its intensity, in the following format:

<i>Parameter</i>	<i>Unit</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	144.42	139.19
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/mn ₹	Rs. 6.59	Rs. 8.30
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Not Available, the Company currently does not have any projected related to related to reducing Green House Gas emissions.

8. Provide details related to waste management by the entity, in the following format:

<i>Parameter</i>	<i>FY 22-23</i>	<i>FY 21-23</i>
Total Waste generated (in metric tonnes)		
Plastic waste (A)	In the company, conscious steps to reduce and encourage reuse and recycling whenever possible and monitors progress in this regard. Moreover, the	
E-waste (B)		
Bio-medical waste (C)		

Construction and demolition waste (D)	company partners with certified e-waste handlers to ensure proper disposal of electronic waste. Additionally, the company is exploring the possibility of transitioning from plastic garbage bags to biodegradable ones.
Battery waste (E)	
Radioactive waste (F)	
Other Hazardous waste. Please specify, if any. (G)	
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	
Total (A+B + C + D + E + F + G + H)	
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)	
Category of waste	
(i) Recycled	NIL
(ii) Re-used	
(iii) Other recovery operations	
Total	
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)	
Category of waste	Nil
(i) Incineration	
(ii) Landfilling	
(iii) Other disposal operations	
Total	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. The Company belongs to IT service-based industry and hence doesn't not carry out any independent assessment/ evaluation/assurance through an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company belongs to IT service-based industry hence the Company does not produce any hazardous and toxic chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity

hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No, the Company does not have operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

NA. The Company has not conducted any environmental impact assessments of projects as the Company is in the digital products and services business.

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, given the nature of business, the Company is in compliance with all the applicable laws.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

<i>Parameter</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
From renewable sources		
Total electricity consumption (A)	NIL	
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	611.6976 Giga Joules (GJ)	589.53 Giga Joules (GJ)
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources	611.6976 Giga Joules (GJ)	589.53 Giga Joules (GJ)

Business Responsibility & Sustainability
Report FY 22-23



(D+E+F)		
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Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

2. Provide the following details related to water discharged:

<i>Parameter</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NIL	
- No treatment		
- With treatment - please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment - please specify level of treatment		
(v) Others		
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

<i>Parameter</i>	<i>FY 22-23</i>	<i>FY 21-22</i>
Water withdrawal by source (in kiloliters)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) - the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

<i>Parameter</i>	<i>Unit</i>	<i>FY 2022-23</i>	<i>FY 2021-22</i>
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>(Metric tonnes of CO2 Equivalent)</i>	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NA, Currently the Company intends to collect data on Scope 3 emissions and report on it in the future.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA. The Company does not have any direct or indirect impact on ecologically biodiverse lands.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.

No. The Company continues to use innovative technology for the betterment of its digital products and to improve customer's user experience. The Company's products do not have any significant impact on resource efficiency/emissions/effluent discharge/waste generated.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ Web-Link.

Yes. The Company with the collective agreement of the board of directors and has developed a business continuity and disaster management plan.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Business Responsibility & Sustainability Report FY 22-23



NA. The Company belongs to IT service-based industry and does not envisage any adverse impact to the environment from its value chain.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA. The Company belongs to IT service-based industry and hence it has not assessed environmental impacts of value chain partners.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

NA

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to. NA

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	NA	NA

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective Action Taken
NA	NA	NA

Note:

Not Applicable, (No adverse order received in last Financial Year)

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

Note:

There is no public policy advocated right now. The Company will address this in the coming future.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Currently the Company does not have any Social Impact Assessment (SIA) projects in place.					

Note:

Currently the Company does not have any Social Impact Assessment (SIA) projects in place.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable, the Company has not undertaken any ongoing Rehabilitation and Resettlement (R&R) projects.						

3. Describe the mechanisms to receive and redress grievances of the community.

All agreements between the Company and the stakeholders, contain clauses on handling of grievances, disputes etc. Additionally, The Company has a relevant representative to provide feedback for implementation if required.

4. Percentage of input material (Inputs to total inputs by value) sourced from suppliers

Not Applicable. Since the Company is in the IT service industry.

Business Responsibility & Sustainability
Report FY 22-23
Leadership Indicators



1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (SIA) (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NA	NA

Note: The Company's products/services don't have any negative social impacts. The Company puts emphasis on customer satisfaction and social impact.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sr. No	State	Aspirational District	Amount spent (In INR)
NA	NA	NA	NA
NA	NA	NA	NA

Note: The Company has served several people belonging to the marginalized and vulnerable communities. The Company intends to serve more people belonging to aspirational districts as identified by government bodies.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**
No
(b) **From which marginalized /vulnerable groups do you procure?** NA
(c) **What percentage of total procurement (by value) does it constitute?** NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sr. No	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit Shared (Yes/No)	Basis of calculating benefit share
1.	NA	NA	NA	NA

Note: The Company has acquired several IPs through acquisitions.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of Authority	Brief of the Case	Corrective action taken
NA	NA	NA

Note: The Company has never had any corrective actions taken or underway in regards to intellectual property.

6. Details of beneficiaries of CSR Projects: NA

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	NA		

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company's customers are provided with multiple mechanisms to report complaints or feedback. Each customer concern is addressed with utmost care at all levels. The Company acknowledges, analyses the incidents and develops an action plan to resolve it. The Company engages with the customer, to validate the action plan and regularly updates customers about the progress of action taken. Any feedback from the customer is taken positively and action plans are refined to ensure utmost customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of Total Turnover
Environmental & Social Parameters relevant to the product	Not applicable
Safe & Responsible Usage	Not applicable
Recycling and/or safe disposal	Not applicable

Note: Not applicable, the Company ensures that all its digital products abide the Information Technology Act, 2000 (IT Act) to ensure transparency.

3. Number of consumer complaints in respect of the following:	FY 22-23		Remarks	FY 21-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Others	NA	NA	NA	NA	NA	NA

Note: The Company addresses all consumer complaints promptly and ensures consumers are satisfied by the Company's services. The Company ensures that all its digital products abide the Information Technology Act, 2000 (IT Act) to ensure transparency.

4. Details of instances of product recalls on account of safety issues:

Not Applicable, since the Company is in the IT service industry.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes the Company has put in place appropriate and suitable IT measures to monitor and keep malpractices that involve cybersecurity under control.

Web-Link: <https://magellanic-cloud.com/investors/#>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Please refer to the answer to Q.5 above. All the initiatives explained above has ensured that the Company did not have any incidents leading to regulatory issues / penalties.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide Web-Link, if available).

The information on products and services of the Company can be accessed by the Web-Link: <https://magellanic-cloud.com>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable, the Company does not have any products/services that can entail safety issues or a usage abuse.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of Sessential services.

The Company has a business continuity mechanism in place to handle any disruption of services and a suitable communication plan.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable

5. Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact: 0

b) Percentage of data breaches involving personally identifiable information of customers: 0%

Independent Auditor's Report

To the Members of

Magellanic Cloud Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Magellanic Cloud Limited ("the Company"), which comprises the standalone balance sheet as at 31 March 2023, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its profits and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue recognition – Fixed price contracts where revenue is recognized using percentage of completion method.	
Refer Note 2.2 and 16 to the standalone financial statements	
The key audit matter	How matter is addressed in our audit
<p>The Company enters in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Company's estimate of contract costs.</p> <p>We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since –</p> <ol style="list-style-type: none"> 1. there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and complex nature of these contracts and significant inputs of IT systems; 2. application of Ind AS 115, Revenue from Contracts with customers is complex and involves a number of key judgments and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; 3. these contracts may involve onerous obligations which require critical assessment of foreseeable losses to be made by the Company; and 4. at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet. 	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. Obtained an understanding of the systems, processes and controls implemented by the Company for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances. 2. On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including– <ol style="list-style-type: none"> i. Evaluated the identification of performance obligations and the ascribed transaction price; ii. For testing Company's computation of the estimation of contract costs and onerous obligations, if any. We: <ul style="list-style-type: none"> • assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel; • performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract; • assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and • inspected underlying documents and performed analytics to determine reasonableness of contract costs.

Other Information

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual

report, but does not include the financial statements and auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

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

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

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

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

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

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

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the standalone financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

The standalone Ind AS financial statements of the Company for the year ended March 31, 2022, were audited by predecessor auditor whose report dated May 25, 2022 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement changes in equity and standalone cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 26 to the standalone financial statements.
 - b) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- d) i The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party; or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii contain any material mis-statement.

e) As stated in Note 8(vii) to the standalone financial statements

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act. The Company has not proposed final dividend during the year.

f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

(C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Bhuta Shah & CO LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Atul Gala
Partner

Mumbai
30 May 2023

Membership Number: 048650
UDIN: 23048650BGTOGF2696

Annexure – A to the Independent Auditor’s Report on the Standalone Financial Statements of Magellanic Coud Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company does not have any intangible assets and hence, reporting for clause 1(a)(B) of the order is not applicable to the company.
 - (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the copy of sale agreement given to us by the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements is held in the name of the Company. The immovable property is mortgaged to the bank against property loan and we are informed that original agreement is with the bank.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii (a) The Company is in service industry and therefore does not hold any inventory. Hence, reporting under clause 3(ii)(a) is not applicable to the company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause 3(ii)(b) is not applicable to the Company.
- iii According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not given any guarantee, or provided security or advances in nature of loans to companies, firms, Limited Liability Partnerships or other parties. The Company has made investments, and granted loans to companies in respect of which the required information is as below. The Company has not made investments or granted loans to firms, Limited Liability Partnerships and other parties.

- (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans as below:

Particulars	Rs in Lakhs	
	Loans	
Aggregate amount during the year		
- Subsidiaries		115.32
- Others		39.58
Balance outstanding as at balance sheet date		
- Subsidiaries		115.32
- Others		322.39
-		

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made and terms and conditions of all loans granted during the year are prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given there is no stipulation of schedule of repayment of principal and payment of interest and we are unable to comment on the regularity of repayment of principal and payment of interest. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans given, there is no stipulated schedule of repayment of principal and payment of interest and we are unable to make specific comment on overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, hence, reporting under clause 3 (iii)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The company has granted loans without specifying any terms or period of repayment as below. The Company has not granted any advance in the nature of loan during the year.

	Rs. In lakhs	
	All Parties	Related Parties
Aggregate amount of loans/ advances in nature of loans	-	-
- Repayable on demand (A)	437.72	115.32
- Agreement does not specify any terms or period of repayment (B)		
Total (A+B)	437.72	115.32

Percentage of loans/ advances in nature of loans to the total loans	100%	26.34%
---	------	--------

- iv According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made, loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act for the line of business the Company operates. Hence, reporting under Clause 3(vi) of the Order is not applicable to the Company.
- vii In respect of statutory dues:

- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income tax, Employees State Insurance, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except income tax dues of Rs 8.54 lakhs.

- (b) According to the information and explanations given to us and based on the records of the Company examined by us, no statutory dues relating to goods and service tax, provident fund, employees state insurance, cess tax, duty of custom, duty of excise and income tax have remain unpaid on account of any dispute.

- viii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- ix (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) According to information and explanations given to us and on the basis of examination of records of the Company, term loans obtained during the year have been applied for the purpose for which they were obtained.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis amounting to Rs. 7,647.30 lakhs have been used for long-term purposes by the Company which is for payment of deferred consideration on acquisition of subsidiaries during the year and payable within next one year and classified as short-term liability.
 - (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associates or joint venture (as defined under the Act) during the year ended 31 March 2023.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associates or joint venture (as defined under the Act) during the year ended 31 March 2023
- x (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and procedures performed by us, we report that the Company has made preferential allotment of shares during the year. However, the Company has not made any private placement of shares or convertible debentures (fully or partly or optionally) during the year. The requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- xi (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) We have not received any whistle blower complaints during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable

transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (c) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.
- xvii. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx (a) Provision under Section 135 of the Act is not applicable to the Company. Accordingly reporting under clause 3(xx)(a) is not applicable to the Company.
- (b) Provision under Section 135 of the Act is not applicable to the Company. Accordingly reporting under clause 3(xx)(b) is not applicable to the Company.

For **Bhuta Shah & Co. LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Mumbai
Date 30 May 2023

Atul Gala
Partner
Membership Number: 048650
UDIN: 23048650BGTOGF2696

Annexure B to the Independent Auditors' Report on the standalone financial statements of Magellanic Cloud Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Magellanic Cloud Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Mumbai
Date: 30 May 2023

Atul Gala
Partner
Membership Number: 048650
UDIN: 23048650BGTOGF2696

Magellanic Cloud Limited
Standalone Balance Sheet as at March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
Property, plant and equipment	3	1,056.19	994.46
Right of use assets	4	539.89	721.67
Financial assets	5		
(i) Investment in subsidiary, associates, joint ventures		36,641.21	2,687.95
(ii) Other financial assets		176.76	166.13
Non-current tax assets	7	464.08	-
Total non-current assets		38,878.13	4,570.21
II Current assets			
Financial assets	5		
(i) Trade receivables		2,120.54	65.52
(ii) Cash and cash equivalents		2.80	1,530.88
(iii) Bank balances other than (ii) above		33.74	16.13
(iv) Other financial assets		863.73	486.94
Other current assets	6	341.38	98.38
Total current assets		3,362.19	2,197.84
Total Assets		42,240.32	6,768.05
EQUITY AND LIABILITIES			
I Equity			
Equity share capital	8	11,687.90	2,516.69
Other equity	9	6,120.93	1,431.68
Total equity attributable to owners of the Company		17,808.83	3,948.37
Total equity		17,808.83	3,948.37
Liabilities			
II Non-current liabilities			
Financial liabilities	10		
(i) Borrowings		7,848.25	608.56
(ii) Lease liabilities		262.06	434.34
Provisions	11	77.91	67.45
Deferred tax liabilities (net)	12	33.85	31.36
Total non-current liabilities		8,222.07	1,141.70
III Current liabilities			
Financial liabilities	10		
(i) Borrowings		766.56	109.28
(ii) Lease liabilities		190.82	197.96
(iii) Trade payables			
(a) total outstanding dues of creditors other than micro and small enterprises		1,302.58	71.68
(b) total outstanding dues of micro and small enterprises		3.00	-
(iv) Other financial liabilities		13,247.75	1,248.29
Other current liabilities	14	161.38	24.23
Provisions	11	7.53	5.78
Current tax liabilities	15	529.81	20.76
Total current liabilities		16,209.43	1,677.98
Total Liabilities		24,431.50	2,819.68
Total Equity and Liabilities		42,240.32	6,768.05

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No: 101474W/W100100

For and on behalf of the Board of Directors of

Magellanic Cloud Limited

CIN: L72100TG1981PLC169991

Atul Gala

Partner

Membership No. 048650

Joseph Sudheer Reddy Thumma

Managing Director

DIN No. 07033919

Nikitha Tiparnapally

Director

DIN No. 07399613

Sanjay Chauhan

Chief Financial Officer

PAN : AFLPC7749G

Sameer Rajkumar Lalwani

Company Secretary

PAN : AIDPL4094N

Place : Mumbai

Date : 30 May 2023

Place : Hyderabad

Date : 30 May 2023

Magellanic Cloud Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I Income			
Revenue from operations	16	5,471.17	1,626.48
Other income	17	139.33	141.34
Total income		5,610.50	1,767.82
II Expenses			
Employee benefits expense	18	800.60	570.13
Finance costs	19	680.57	101.47
Depreciation and amortisation expense	20	279.25	234.07
Other expenses	21	2,279.12	437.19
Total expenses		4,039.54	1,342.86
III Profit before tax		1,570.96	424.96
IV Income tax expense	12		
Current tax		509.08	115.00
Earlier year tax		-	24.11
Deferred tax charge/(credit)		0.09	13.88
Total tax expense		509.18	152.99
V Net Profit after Tax		1,061.78	271.97
VI Other comprehensive income			
(a) Items that will not be reclassified to profit or loss in subsequent periods			
(i) Remeasurements gains/(losses) on defined benefit plans		9.54	(22.41)
(ii) Income tax effect on above		(2.40)	-
Other comprehensive income for the year		7.14	(22.41)
VII Total comprehensive income for the year		1,068.92	249.56
VIII Earnings per equity share [nominal value of share ₹ 10 (Previous year ₹ 10)]			
Basic earning per share(₹)		0.95	0.99
Diluted earning per share(₹)		0.95	0.99

The accompanying notes form an integral part of the standalone/consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

For and on behalf of the Board of Directors of
Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Atul Gala
Partner
Membership No. 048650

Joseph Sudheer Reddy Thumma **Nikitha Tiparnapally**
Managing Director Director
DIN No. 07033919 DIN No. 07399613

Sanjay Chauhan **Sameer Rajkumar Lalwani**
Chief Financial Officer Company Secretary
PAN : AFLPC7749G PAN : AIDPL4094N

Place : Mumbai
Date : 30 May 2023

Place : Hyderabad
Date : 30 May 2023

Magellanic Cloud Limited
Standalone Statement of changes in equity for the year ended March 31, 2023
All amounts in Indian ₹ Lakhs., unless otherwise stated)

(a) Equity share capital

Particulars	Nos.	Amount
Balance as at April 01, 2021	2,51,66,940	2,516.69
Issue of equity shares of ₹ 10 each		
Balance as at March 31, 2022	2,51,66,940	2,516.69
Issue of equity shares of ₹ 10 each	9,17,12,084	9,171.21
Balance as at March 31, 2023	11,68,79,024	11,687.90

(b) Other equity

Particulars	Equity component of other financial instruments	Securities premium	General reserves	Retained earnings	Statutory Reserves	Total other equity
As at April 01, 2021	-	386.64	315.23	482.20	123.89	1,307.96
Profit for the year	-	-	-	271.97	-	271.97
Other comprehensive income for the year						
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	(22.41)	-	(22.41)
Total Comprehensive income for the year	-	-	-	249.56	-	249.56
Transactions with owners in their capacity as owners:						
Dividend paid during the year	-	-	-	(125.83)	-	(125.83)
As at March 31, 2022	-	386.64	315.23	605.92	123.89	1,431.68
Profit for the year	-	-	-	1,061.78	-	1,061.78
Other comprehensive income for the year	-	-	-	7.14	-	7.14
Total Comprehensive income for the year	-	-	-	1,068.92	-	1,068.92
Transactions with owners in their capacity as owners:						
Security premium on issue of shares under preferential allotment	-	12,526.67	-	-	-	12,526.67
Dividend paid during the year	-	-	-	(140.43)	-	(140.43)
Towards issue of bonus shares	-	(8,765.93)	-	-	-	(8,765.93)
As at March 31, 2023	-	4,147.38	315.23	1,534.41	123.89	6,120.91

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

For and on behalf of the Board of Directors of
Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Atul Gala
Partner
Membership No. 048650

Joseph Sudheer Reddy Thumma
Managing Director
DIN No. 07033919

Nikitha Tiparnapally
Independent Director
DIN No. 07399613

Place : Mumbai
Date : 30 May 2023

Sanjay Chauhan
Chief Financial Officer
PAN : AFLPC7749G

Sameer Rajkumar Lalwani
Company Secretary
PAN : AIDPL4094N

Magellanic Cloud Limited
Standalone Cash Flow as at March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flows from operating activities :		
Profit before tax	1,570.96	424.96
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	279.25	234.07
Interest income on bank deposits and others	(32.12)	(75.25)
Finance costs	680.57	101.47
Bad Debts		7.53
Provision for Gratuity	23.71	12.81
Provision for Expected Credit Loss	34.20	
Operating Profit before working capital changes	2,556.57	705.58
Movement in working capital		
(Increase)/ Decrease in trade receivables	(2,089.22)	41.75
(Increase)/ Decrease in financial assets	(387.42)	(19.51)
(Increase)/ Decrease in other non-financial assets	(274.42)	42.89
Increase/ (Decrease) in trade payables	1,233.90	(147.73)
Increase/ (Decrease) in other financial liabilities	4,036.23	(81.11)
Increase in other liabilities	137.72	315.73
Increase/ (Decrease) in provisions	(11.50)	-
Cash generated from operations	5,201.86	857.58
Income tax paid (net of refund)	(464.08)	(118.96)
Net Cash flows from operating activities (A)	4,737.78	738.62
B Cash flows from investing activities		
Payment for purchase of interest in associates and joint venture	-	(46.63)
Investments in Subsidiaries	(26,305.96)	420.19
Purchase of property, plant and equipment and intangible assets	(127.78)	(151.49)
Interest received on bank deposits	32.12	75.25
Investment in fixed deposit matured / (made)		
Net cash used in investing activities (B)	(26,401.61)	297.33
C Cash flows from financing activities		
Proceeds from preferential allotment of equity shares	12,936.71	-
Proceeds from/ (repayment of) short term borrowings (net)	-	109.28
Repayment of borrowings	(22,872.46)	(29.78)
Proceeds from borrowings	30,768.83	-
Interest paid on borrowings	(359.85)	(101.47)
Payment of principal portion of lease liabilities	(179.42)	632.30
Payment of dividend	(140.43)	(125.83)
Net cash used in financing activities (C)	20,153.39	484.49
Net Increase/ (decrease) in cash and cash equivalents(A+B+C)	(1,510.44)	1,520.44
Cash and cash equivalents as at beginning	1,547.01	26.56
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents as at closing	36.56	1,547.01
Notes		
1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 - <i>Statement of Cash Flows</i>		
2 Components of cash and cash equivalents		
Cash and cash equivalents		
Balances with banks	33.74	1,545.50
Cash on hand	2.80	1.50
Cash and cash equivalents at the end of the year	36.54	1,547.00

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 30 May 2023

For and on behalf of the Board of Directors of
Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Joseph Sudheer Reddy Thumma **Nikitha Tiparnapally**
Managing Director Independent Director
DIN No. 07033919 DIN No. 07399613

Sanjay Chauhan **Sameer Rajkumar Lalwani**
Chief Financial Officer Company Secretary
PAN : AFLPC7749G PAN : AIDPL4094N

Place : Hyderabad
Date : 30 May 2023

Magellanic Cloud Limited
Standalone Balance Sheet as at March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

1 Background

Magellanic Cloud Limited, (formerly known as South India Projects Limited) ("the Company") incorporated on 04 December, 1981 is a domestic company, and is domiciled in Hyderabad, India. The registered office of the Company is at Dallas Centre, 6th & 7th Floor, 83/1, Knowledge City, Raidurg, Hyderabad, Talengana 500032. The Company is engaged in the business of IT solutions, E - Surveillance and Human Capital.

2 Summary of Significant accounting policies

2.1 Basis of preparation of financial statements

Compliance with Ind AS: The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

Measurement of fair values

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.2 Revenue Recognition:

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the consideration, net of indirect taxes, discounts, rebates, credits, concessions, incentives, penalties, or other similar items.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to

recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Magellanic Cloud Limited

Standalone Balance Sheet as at March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

2.3 Property plant and equipment

(i) **Tangible property plant and equipment:**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

(ii) **Depreciation/Amortisation:**

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the costless estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

(iii) **Derecognition:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

(iv) **Impairment Testing of Property, Plant and Equipment, and Intangible Assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

2.4 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Magellanic Cloud Limited
Standalone Balance Sheet as at March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

2.5 Foreign currency transactions

(i) **Initial recognition**

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

(ii) **Measurement of monetary items denominated in foreign currency at the Balance Sheet date**

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Non monetary foreign currency items are carried at cost.

(iii) **Treatment of exchange differences**

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Company's exposure is fixed in INR terms.

2.6 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.7 Income taxes

(i) **Current tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) **Deferred tax**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Magellanic Cloud Limited

Standalone Balance Sheet as at March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

2.8 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.9 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognized and disclosed in Financial statements.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Magellanic Cloud Limited**Standalone Balance Sheet as at March 31, 2023****(All amounts in Indian ₹ lakhs, unless otherwise stated)****Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.11 Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.12 Business Combination

Business Combination under common control are accounted under "the pooling of interest method" i.e. in accordance with Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

Magellanic Cloud Limited

Standalone Balance Sheet as at March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

2.13 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

(ii) **Revenue Recognition**

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

(iii) **Fair value of financial assets and liabilities**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

2.14 **Recent Accounting Pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
5 Financial Assets		
(A) Investment in equity instruments		
(i) Investment in equity shares of subsidiaries, unquoted at cost		
Investment in JNIT INC {1,150 equity shares (March 31, 2022 : Nil) of \$1- each, fully paid up}	2,600.00	2,600.00
Investment in IVIS International Private Limited (refer note (a) below) {1,41,57,218 equity shares (March 31, 2022 : Nil) of ₹10- each, fully paid up}	30,196.96	-
Investment in Provigil Surveillance Limited (refer note (b) below) {1,06,66,994 equity shares (March 31, 2022 : Nil) of ₹1- each, fully paid up}	3,597.00	-
Investment in Scandrone Private Limited (refer note (c) below) {14,00,000 equity shares (March 31, 2022 : Nil) of ₹10- each, fully paid up}	159.30	-
Investment in Serial Enterprise Private Limited (refer note (d) below) {8,79,499 equity shares (March 31, 2022 : Nil) of ₹10- each, fully paid up}	87.95	87.95
	36,641.21	2,687.95
Total	36,641.21	2,687.95
Aggregate value of unquoted equity investments valued at cost	36,641.21	2,687.95
Aggregate value of impairment in value of investments	-	-

Notes:

- (a) The Company has acquired 100% holding in IVIS International Private Limited for a consideration of Rs. 30,196.96 lakhs includes goodwill of Rs. 4,294.21 lakhs during the year. The acquisition is accounted as per Ind AS 103 - Business Combination.
- (b) The Company has acquired 100% holding in Provigil Surveillance Private Limited for a consideration of Rs. 3,597.00 lakhs includes goodwill of Rs.1,063.01 lakhs during the year. The acquisition is accounted as per Ind AS 103 - Business Combination.
- (c) The Company has acquired 70% holding in Scandron Private Limited for a consideration of Rs. 159.30 lakhs includes goodwill of Rs.80.25 lakhs during the year. The acquisition is accounted as per Ind AS 103 - Business Combination.
- (d) The Company has acquired 100% holding in Serial Enterprise Private Limited for a consideration of Rs. 87.95 lakhs during the year. The acquisition is accounted as per Appendix C Business combinations of entities under common control of Ind AS 103 - Business Combination.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(B) Trade receivables (Unsecured)				
Trade receivables from contract with customers - considered goods - billed	-	-	2,154.74	65.52
Trade receivables from contract with customers - considered good – related parties	-	-	-	-
Trade receivables from contract with customers - significant increase in credit risk	-	-	-	-
	-	-	2,154.74	65.52
less: Impairment allowance for trade receivable - significant increase in credit risk	-	-	-	-
less: Impairment allowance for trade receivable - credit impaired	-	-	(34.20)	-
Total	-	-	2,120.54	65.52

Notes:

- (a) **Trade receivables Ageing Schedule**
As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2,091.55	25.75	37.44	-	-	2,154.74
Trade receivables from contract with customers - considered goods - unbilled	-	-	-	-	-	-
Total	2,091.55	25.75	37.44	-	-	2,154.74
Less: Impairment allowance for trade receivable - significant increase in credit risk	-	(18.49)	(15.71)	-	-	(34.20)
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-
Net Trade receivables	2,091.55	7.26	21.73	-	-	2,120.54

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	48.83	16.68	-	-	-	65.52
Net Trade receivables	48.83	16.68	-	-	-	65.52

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:		
Balance as at beginning of the year	-	-
Addition during the year	34.20	-
Balance as at the end of the year	<u>34.20</u>	<u>-</u>

(c) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(C) Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	2.80	1,529.38
Cash on hand	-	-	-	1.50
	<u>-</u>	<u>-</u>	<u>2.80</u>	<u>1,530.88</u>

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(D) Other Bank balances				
Deposits with original maturity of more than three months but less than twelve months {refer note (a)}	-	-	16.96	16.13
Unpaid dividend accounts {refer note (b)}	-	-	16.78	-
Total	<u>-</u>	<u>-</u>	<u>33.74</u>	<u>16.13</u>

Notes:

(a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between 3 months to 12 months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

(b) Any dividend amount routed to the Unpaid Dividend Account which remains unclaimed or unpaid for seven years from the date of such transfer shall be channelized by the company along with interest accrued, if any, thereon to the fund set up under subsection (1) of section 125.

(E) **Other financial assets (Unsecured, considered good unless otherwise stated)**

Security deposits	176.76	166.13	-	-
Loan and advance to employees	-	-	220.48	-
Trade receivables from contract with customers - considered goods - unbilled	-	-	205.53	-
Inter- Corporate Deposit (refer note (a) below)	-	-	437.72	486.94
	<u>176.76</u>	<u>166.13</u>	<u>863.73</u>	<u>486.94</u>

(a) **Disclosure as required by Section 186 of the Companies Act, 2013 for Inter- corporate deposit is as below:**

Opening balance	-	-	486.94	859.50
Given during the year	-	-	39.58	185.02
Refunded during the year	-	-	(88.80)	(557.58)
Closing balance	<u>-</u>	<u>-</u>	<u>437.72</u>	<u>486.94</u>

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
6 Other assets				
(Unsecured considered good, unless otherwise stated)				
Advance other than capital advance				
Advance for material and supplies considered good- related party	-	-	210.70	-
Advance for material and supplies considered good- others	-	-	1.75	8.69
Advance to staff	-	-	-	17.41
Others				
Balances with government authorities considered good	-	-	128.93	71.48
Others	-	-	-	0.80
	<u>-</u>	<u>-</u>	<u>341.38</u>	<u>98.38</u>
7 Tax Asset				
Income Tax assets (net of provision for income tax)	464.08	-	-	-
	<u>464.08</u>	<u>-</u>	<u>-</u>	<u>-</u>

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
8 Share Capital				
(i) Authorised Share Capital				
17,50,00,000 Equity shares of Rs. 10 each	17,50,00,000	17,500.00	5,50,00,000	5,500.00
	17,50,00,000	17,500	5,50,00,000	5,500.00
(ii) Issued, subscribed and fully paid up				
Equity share capital				
Equity shares of ₹10/- each with voting rights	11,68,79,024	11,687.90	2,51,66,940	2,516.69
	11,68,79,024	11,687.90	2,51,66,940	2,516.69
(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Equity shares of ₹10/- each with voting rights				
Balance at the beginning of the year	2,51,66,940	2,516.69	2,51,66,940	2,516.69
Add: Issue of equity shares under preferential allotment	40,52,816	405.28	-	-
Add: Issue of bonus shares	8,76,59,268	8,765.93	-	-
Balance at the end of the year	11,68,79,024	11,687.90	2,51,66,940	2,516.69

(iv) **Details of shareholders and promoters holding more than 5% shares in the Company:**

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10/- each with voting rights				
Joseph Sudheer Reddy Thumma	4,63,08,224	39.62%	1,15,77,056.00	46.00%
Jagan Mohan Reddy Thumma	94,00,000	13.32%	23,50,000.00	9.34%
Dennis Reddy Thumma	68,28,348	9.68%	16,00,000.00	6.36%
Innamma Reddy Thumma	55,18,596	7.82%	13,79,649.00	5.48%

(v) **Terms/rights attached to equity shares**

The Company has only one class of issued equity shares capital having par value of ₹10 per share as on 31 March 2022. Each shareholder is entitled to one vote per share held. The Company declares interim dividend of Rs. 0.55 per share and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding.

(vi) Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows:

	As at March 31, 2023	As at March 31, 2022
Equity shares allotted as fully paid up by way of bonus shares by capitalization of securities premium	8,765.93	-

(vii) **Dividend Paid**

	As at March 31, 2023	As at March 31, 2022
Dividend declared and paid during the year		
Final dividend of ₹ 0.5 per share	-	125.83
Interim dividend of ₹ 0.55 per share	140.43	-
	140.43	125.83

Notes:

- The Company has allotted 11,33,500 preferential equity shares at issue price of Rs. 289.61/- each (face value of Rs. 10 and premium of Rs. 279.61/- each on 26th April, 2022.
- The Company has allotted 29,19,316 preferential equity shares at issue price of Rs. 395/- each (face value of Rs. 10 and premium of Rs. 385/- each on 6th March, 2023.
- The board of directors in their meeting held on 14th March 2023 have also proposed the bonus issue of 4 equity share of ₹ 10 each for every 1 equity share of ₹ 10 each held by the shareholders of the Company on the record date

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

9 (A) Other equity:

	As at March 31, 2023	As at March 31, 2022
Securities premium	4,147.39	386.64
General Reserve	315.23	315.23
Retained earnings	1,534.41	605.92
Statutory Reserves	123.89	123.89
Total other equity	6,120.92	1,431.68
(i) Securities premium		
Opening balance	386.64	386.64
Movement during the year	3,760.75	-
Closing balance	4,147.39	386.64
(ii) General Reserve		
Opening balance	315.23	315.23
Movement during the year	-	-
Closing balance	315.23	315.23
(iii) Retained earnings		
Opening balance	605.92	482.20
Net profit for the year	1,061.78	271.97
Other comprehensive income / (loss) for the year	7.14	(22.41)
Dividend Paid	(140.43)	(125.83)
Closing balance	1,534.41	605.92
(iv) Statutory Reserves		
Opening balance	123.89	123.89
Movement during the year	-	-
Closing balance	123.89	123.89

Nature and purpose of other reserves

(i) **Securities premium**

The amount received in excess of face value of the equity shares is recognized in Securities Premium. The account is utilized in accordance with the provisions of the Companies Act, 2013

(ii) **Retained earnings**

Retained earnings are the profits that the Company has earned till date including gain/(loss) on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

(iii) **General Reserve**

Under the erstwhile Companies Act, 1956, general reserves was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.

(iii) **Statutory Reserves**

Under the erstwhile Companies Act, 1956, general reserves was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

10 Financial liabilities**(A) Borrowings**

	Long term borrowing		Short term borrowing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Term loans				
Term loans from bank (secured) {refer note (i) below}	3,170.66	608.56	766.56	109.28
Term loans from others (unsecured) {refer note (ii) below} from related parties	4,677.59	-	-	-
	7,848.25	608.56	766.56	109.28

Notes:

- (i) The Company has obtained terms loans for the purpose of Vehicle purchase, Property purchase and WC Term loan from various banks. Vehicle loan is repayable in 37 to 60 equal monthly installments and carries interest rate ranging from 7.99% p.a. to 13% p.a. and maturity between December 2023 till October 2027. The loan is secured against vehicles purchased.
- Property loan is repayable in 156 equal monthly installment carrying interest rate 9.8% p.a. and will be maturing in September 2033. The Property is mortgaged to the banks till the time loan is repaid.
- Working Capital loan is repayable in equal monthly installment between August 20234 to June 2029 and carries interest rate 7.50 % p.a. to 16.25% p.a. The loan is secured against Personal gurantee of Directors, commercial property and vacant land which are owned by the Directors.

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

(ii) The Company has taken term loans from its subsidiaries during the year and same are considered as long term since these expected to be repaid in a period exceeding 12 months.

Name of Subsidiary	Rate of Interest	As at March 31, 2023	As at March 31, 2022
Ivis International Private Limited, Wholly Owned Subsidiary	8%	2,370.00	-
Motivity India Private Limited, Wholly Owned Subsidiary	8%	292.59	-
Provigil Surveillance Limited, Wholly Owned Subsidiary	8%	2,015.00	-
Total		4,677.59	-

(iii) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.

(iv) The term loans have been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(B) Lease liabilities (valued at amortised cost)				
Lease liabilities (refer note 4)	262.06	434.34	190.82	197.96
	262.06	434.34	190.82	197.96
(C) Trade payables				
Total outstanding dues of creditors other than micro and small enterprises	-	-	1,302.58	71.68
Total outstanding dues of micro and small enterprises	-	-	3.00	-
	-	-	1,305.58	71.68

Notes:

(i) Trade payables Ageing Schedule

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from the due date				Total
		less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	3.00	-	-	-	3.00
Undisputed dues of creditors other than micro enterprises and small enterprises	-	1,283.86	18.72	-	-	1,302.58
Total	-	1,286.86	18.72	-	-	1,305.58

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from the due date				Total
		less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of creditors other than micro enterprises and small enterprises	-	71.68	-	-	-	71.68
Total	-	71.68	-	-	-	71.68

(ii) The trade payables are unsecured and non interest-bearing and are usually on varying trade terms.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(D) Other financial liabilities				
Retention deposit payable	-	-	-	24.30
Interest accrued but not due on non-current borrowings	-	-	320.72	-
Payable for purchase consideration	-	-	7,647.30	-
Payable to employees	-	-	56.60	43.89
Advance received from customers				
(a) Related Party	-	-	5,199.94	-
(b) Others	-	-	7.01	1,169.13
Dividend Payable	-	-	16.18	10.97
	-	-	13,247.75	1,248.29

11 Provisions

Provision for employee benefits

Provision for Gratuity (refer note 28)	77.91	67.45	7.53	5.78
	77.91	67.45	7.53	5.78

	As at March 31, 2023	As at March 31, 2022
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12 Income tax and deferred tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

(a) Income tax expense in the statement of profit and loss comprises :

Current income tax charge	509.08	115.00
Adjustment in respect of current income tax of previous year	-	24.11
Total current income tax	509.08	139.11
Deferred Tax charge / (credit)		
Relating to origination and reversal of temporary differences	0.09	13.88
Income tax expense reported in the statement of profit or loss	509.17	152.99

(b) Other Comprehensive Income

Tax expense related to items recognised in Other comprehensive income during the year:

Deferred tax on re-measurement loss on defined benefit plans	(2.40)	-
Income tax on other item in other comprehensive income	9.54	(22.41)
Income tax related to items recognised in Other comprehensive income during the year	7.14	(22.41)

(d) Deferred tax liabilities /assets comprises :

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (net)		
Property, plant and equipment and intangible assets	51.05	19.71
Provision for gratuity	-	-
Right of use asset	14.06	11.65
Deposit	-	-
	65.11	31.36
Less: MAT credit entitlement	-	-
	(A) 65.11	31.36
Deferred tax assets (net)		
Expenses allowable on payment basis	(23.90)	-
Other - Security deposits	(7.36)	-
	(B) (31.26)	-
Net Deferred tax liabilities	(A) - (B) 33.85	31.36

(e) Net Deferred tax movement:

	As at March 31, 2023	As at March 31, 2022
Net deferred tax liabilities at the beginning of the year	31.36	17.47
Deferred tax charged/(credited) to profit and loss account during the year	2.49	13.89
Net deferred tax liabilities at the end of the year	33.85	31.36

(f) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Profit before tax	1,570.96	424.96
Applicable tax rate	0.25	0.25
Expected Income tax expense	395.41	106.96
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible in determining taxable profit	40.71	5.97
Effect of tax expense of prior years	-	24.11
Others	73.05	15.95
	509.18	153.00

13 Contract balances

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(A) Trade Receivables {refer note (a) below and note 6(B)}	-	-	2,120.54	65.52
(B) Contract Liability {refer note (b)}	-	-	5,206.96	1,169.13

Notes:

- (a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.
- (b) The Company has entered into the agreements with customers for sales of goods and services. The company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the company has obligation to deliver the goods and perform specified services to a customer for which the company has received consideration. Contract liabilities have increased in the current year on account of increase in advance from customer pursuant to increase in business.

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
14 Other liabilities				
Statutory dues payable	-	-	161.38	24.24
	<u>-</u>	<u>-</u>	<u>161.38</u>	<u>24.24</u>
Statutory Dues payable				
Tax Deducted at Source	-	-	57.11	17.38
Goods and Service Tax	-	-	103.07	5.66
Employee State Insurance	-	-	1.03	0.07
Professional Tax	-	-	0.17	0.13
	<u>-</u>	<u>-</u>	<u>161.38</u>	<u>24.24</u>
15 Current tax liability				
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	529.81	20.76
	<u>-</u>	<u>-</u>	<u>529.81</u>	<u>20.76</u>

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
16 Revenue from operations		
Revenue from contract with customers		
Service Income	5,437.43	1,626.48
Sale of products	33.74	-
	<u>5,471.17</u>	<u>1,626.48</u>
Total revenue from operations	<u>5,471.17</u>	<u>1,626.48</u>
Notes:		
(i) Timing of revenue recognition		
Goods transferred at a point in time	33.74	-
Services transferred over the time	5,437.43	1,626.48
Total revenue from contract with customers	<u>5,471.17</u>	<u>1,626.48</u>
Add: Other operating revenues	-	-
Total revenue from operations	<u>5,471.17</u>	<u>1,626.48</u>
(ii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	5,471.17	1,626.48
Revenue from contract with customers	<u>5,471.17</u>	<u>1,626.48</u>
Add: Other operating revenues	-	-
Total revenue from operations	<u>5,471.17</u>	<u>1,626.48</u>
(iii) Unsatisfied performance obligations:		
Information about the Company's performance obligations are summarised below:		
Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.		
Sales of services: The performance obligation in respect of ITeS services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer. Advances received for unsatisfied performance obligation is recognised as contract liability and disclosed as Advances from customers as at the year end.		
17 Other Income		
Interest income on financial assets carried at amortised cost		
Deposit with banks	21.91	75.25
Interest on security deposit	10.21	-
Rental income (refer note 3)	82.09	66.09
Others	25.12	-
	<u>139.33</u>	<u>141.34</u>
18 Employee benefits expense		
Salaries, wages and bonus	740.49	531.85
Contribution to provident and other funds	10.68	10.88
Net defined benefit plan expense	23.71	12.81
Staff welfare expense	25.72	14.59
	<u>800.60</u>	<u>570.13</u>
19 Finance costs		
Interest on borrowings	597.57	71.64
Interest expense on lease liabilities	60.31	28.19
Interest on TDS	1.04	-
Bank Charges	7.45	1.31
Other finance charges	14.20	0.33
	<u>680.57</u>	<u>101.47</u>
20 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 3)	66.05	44.71
Depreciation on right-of-use assets (refer note 4)	213.20	189.36
	<u>279.25</u>	<u>234.07</u>

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
21 Other expenses		
Power and fuel	2.53	0.14
Repairs and maintenance	16.63	89.08
Rates and taxes	139.72	24.23
Travelling and conveyance expense	51.81	31.36
Legal and professional charges	1,151.07	92.69
Insurance expense	2.79	3.90
Advertisement and sales promotion expense	19.28	1.51
Printing and stationery expense	1.98	1.52
Impairment allowance for trade receivable - credit impaired	34.20	-
Exchange fluctuations (net)	124.13	12.01
Housekeeping services	5.71	-
Consultancy Charges	432.00	112.00
Donation	5.61	-
Commission	106.18	-
Audit Fee {refer note (i) below}	13.44	3.40
Telecommunication expenses	19.57	13.02
Rent Expenses	21.01	35.31
Computer Consumables	15.08	-
Postage and Telegram	9.41	-
Office Expenses	102.20	-
Bad Debts	-	7.53
Miscellaneous expenses	4.77	9.49
	2,279.12	437.19

Note:(i) **Details of payments to auditors**

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Audit fee (Limited review)	10.00	3.40
Tax Audit	2.00	-
In other capacities:		
Certification fee and others	1.25	-
Reimbursement of expenses	0.19	-
Total (included in legal and professional charges)	13.44	3.40

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Buildings {refer note (a)}	Furniture and fittings	Vehicles {refer note (a)}	Office equipment	Computers Systems	Total
Gross carrying amount						
As at April 01, 2021	789.61	1.75	112.91	12.71	41.33	958.31
Additions during the year		18.70	24.65	104.40	3.74	151.49
As at March 31, 2022	789.61	20.45	137.56	117.11	45.06	1,109.80
Additions during the year		1.16	97.63	1.49	27.50	127.78
As at March 31, 2023	789.61	21.61	235.20	118.60	72.57	1,237.58
Accumulated depreciation						
As at April 01, 2021	7.21	0.48	29.80	3.94	29.20	70.63
Depreciation charge for the year	12.48	0.34	15.48	8.38	8.02	44.71
As at March 31, 2022	19.69	0.82	45.28	12.32	37.22	115.34
Depreciation charge for the year	12.50	2.02	19.78	22.08	9.67	66.05
As at March 31, 2023	32.19	2.84	65.07	34.40	46.90	181.39
Net Carrying amounts						
As at March 31, 2022	769.91	19.63	92.28	104.79	7.84	994.46
As at March 31, 2023	757.41	18.77	170.13	84.21	25.67	1,056.19

Notes:

(a) Refer Note 10(A) for details of hypothecation.

(b) Property, plant and equipment includes Building which has a carrying value of Rs 757.41 Lakhs that has been given on operating lease and earns monthly rentals. (refer Note 17).

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

Magellanic Cloud Limited**Notes forming part of the standalone financial statements for the year ended March 31, 2023****(All amounts in Indian ₹ lakhs, unless otherwise stated)****4 Right of use assets**

(i) Right of use assets: The Company's lease asset primarily consist of following:

(a) Lease contracts entered by the company pertain for building taken on lease to conduct its business in the ordinary course having lease terms between 36 to 60 months. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

There are certain premises taken on lease by the Company wherein the lease duration is less than 12 months. These are short term leases and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Building	Total
As at April 01, 2021	1,017.69	1,017.69
Additions during the year	-	-
Disposal during the year	-	-
As at March 31, 2022	1,017.69	1,017.69
Additions during the year	31.42	31.42
As at March 31, 2023	1,049.11	1,049.11
Accumulated depreciation		
As at April 01, 2021	96.38	96.38
Depreciation for the year	199.63	199.63
As at March 31, 2022	296.01	296.01
Depreciation for the year	213.20	213.20
As at March 31, 2023	509.21	509.21
Carrying amounts (net)		
As at March 31, 2022	721.67	721.68
As at March 31, 2023	539.89	539.89

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	632.30	849.11
Addition during the year	31.42	-
Finance cost accrued during the year	60.31	28.19
Rent	(271.14)	(245.00)
Balance at the end	452.88	632.30
Current maturities of lease liabilities	190.82	197.96
Non-current lease liabilities	262.06	434.34

(iv) **Amount recognised in the statement of Profit and loss during the year:**

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right of use assets	199.56	189.36
Finance cost incurred during the year	60.29	28.19
Income from sub-leasing right-of-use assets (included in other income)	(10.08)	(9.60)
Expense related to short term leases (included in other expenses)	21.01	35.31
Total	270.78	243.26

(v) The Company does not face significant liquidity risk with regard to its lease liabilities as the current cash flow are sufficient to meet the obligation related to lease liabilities as and when they fall due.

(vi) Non-cash investing activities during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Acquisition of right of use assets	31.42	-
Disposal of right of use assets	-	-

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

22 Disclosure of Defined benefit plans and defined contribution plan

(A) Defined benefit plan

The Company operates following defined benefit obligations:

(a) Gratuity (defined benefit plan)

In accordance with the applicable laws, the company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	(85.44)	(73.23)
Fair value of plan assets	-	-
Net asset/(liability) recognized in consolidated balance sheet	(85.44)	(73.23)
Non-current portion term	77.91	67.45
Current portion	7.53	5.78

(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Current service cost	18.66	10.31
Interest cost (net)	5.05	2.50
Net defined benefit expense debited to statement of profit and loss	23.71	12.81

(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligation as at the beginning of the year	73.23	38.02
Current service cost	18.66	10.31
Interest cost	5.05	2.50
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	-	43.00
Actuarial changes arising from changes in financial assumptions	(3.35)	(1.95)
Actuarial changes arising from changes in experience adjustments	(6.19)	24.35
Benefits paid	(1.97)	-
Closing defined benefit obligation	85.44	116.23

(iv) Reconciliation of opening and closing balances of fair value of plan assets:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at the beginning of the year	-	-
Fair value of plan assets at the end of the year	-	-

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

(v) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):

Particulars	Gratuity Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	-	0.00
Actuarial changes arising from changes in financial assumptions	(3.35)	(1.95)
Actuarial changes arising from changes in experience adjustments	(6.19)	24.35
Recognised in other comprehensive income	(9.54)	22.41

(vi) Principal actuarial used in recognition of Defined benefit obligation are as follows:

Particulars	Gratuity Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.41%	6.90%
Future salary increase	8.00%	8.00%
Expected return on plan assets	N.A	N.A
Retirement age (in years)	-	-

Mortality rate

Particulars	Year ended March 31, 2023
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)

(vii) Quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
1% increase in discount rate	(5.92)	(5.37)
1% decrease in discount rate	6.80	6.20
1% increase in salary escalation rate	5.33	4.99
1% decrease in salary escalation rate	(4.97)	(4.57)
1% increase in Rate of Employee Turnover	(0.21)	(0.40)
1% decrease in Rate of Employee Turnover	0.17	0.40

Magellanic Cloud Limited**Notes forming part of the standalone financial statements for the year ended March 31, 2023****(All amounts in Indian ₹ lakhs, unless otherwise stated)****(viii) Maturity profile of defined benefit payments (undiscounted):**

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
1st following year	7.53	5.78
2nd following year	7.10	5.98
3rd following year	7.49	6.14
4th following year	7.95	6.53
5th following year	8.32	6.84
Sum of years 6 to 10	40.36	30.54
Sum of years 11 and above	94.97	84.18

(xi) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(xii) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(xiii) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xiv) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident and other funds	10.68	10.88
Total	10.68	10.88

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

23 Related Party Disclosures

The related parties as per identified by management.

(A) Names of related parties and description of relationship:

(i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Entity Name	Relationship
Motivity Labs India Private Limited	Subsidiary of JNIT Inc
Motivity Inc (USA)	Subsidiary of JNIT Inc
JNIT Inc (USA)	Subsidiary
Ivis International Private Limited	Subsidiary
Provigil Surveillance Limited	Subsidiary
Serial Enterprise Foods Private Limited	Subsidiary

(ii) Key management personnel

Name	Relationship
Joseph Sudheer Reddy Thumma	Director
Jagan Mohan Reddy Thumma	Director
Sanjay Mahendra Chauhan	Chief Financial Officer
Sameer Rajkumar Lalwani	Company Secretary

Relatives of key management personnel	Relationship
Jayshree Chauhan	Relative of KMP
Mamta Chauhan	Relative of KMP
Varsha Chauhan	Relative of KMP

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

(D) Transactions with related parties

(i) Transactions with related parties for the year ended March 31, 2023

Particulars	March 31, 2023	March 31, 2022
Sale of goods/services		
JNIT Technologies INC (Overseas)	5,913.31	1,082.16
Motivity Labs Private Limited (India)	587.63	-
	6,500.94	1,082.16
Investments made		
IVIS International Private Limited	30,196.96	-
Provigil Surveillance Ltd	3,597.00	-
	33,793.96	-
Intercorporate Deposits Repaid		
IVIS International Private Limited	5,305.00	-
	5,305.00	-
Intercorporate Deposits Accepted		
IVIS International Private Limited	7,675.00	-
Provigil Surveillance Ltd	2,015.00	-
	20,300.00	-
Advances Received		
JNIT Technologies Private Limited	934.20	-
Motivity Labs Private Limited (India)	1,427.09	-
Serial Enterprise	5.00	-
	2,366.29	-
Advances Paid		
JNIT Technologies Private Limited	1,233.81	-
Motivity INC	1,467.88	-
Serial Enterprise	89.75	-
	2,791.45	-
Investment made		
IVIS International Private Limited	12,980.00	-
Provigil Surveillance Ltd	2,015.00	-
	14,995.00	-

Magellanic Cloud Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

(E) Balances with related parties

(i) Balances Outstanding as at March 31, 2023

Particulars	March 31, 2023	March 31, 2022
Payables		
Motivity Labs Private Limited (India)	292.59	47.63
Motivity INC	1,467.88	-
JNIT Technologies INC	843.50	-
IVIS International Private Limited	2,370.00	-
Provigil Surveillance Ltd	2,015.00	-
	6,988.97	47.63
Receivables		
Serial Enterprise Private Limited	97.63	-
	97.63	-

Notes:

(a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(b) As at March 31, 2023 , the Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(c) All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

(F) Key managerial personnel**Payments made to Director**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary Paid		
Joseph Sudheer Reddy Thumma	0.28	
Jagan Mohan Reddy Thumma	4.80	
Rent Paid		
Joseph Sudheer Reddy Thumma	786.43	307.50
Rental Deposit Paid		
Joseph Sudheer Reddy Thumma	80.00	
Purchase Consideration		
Jagan Mohan Reddy Thumma (Relative of Director)	17.14	
Total	888.65	307.50

Payments to Key Managerial and relatives of KMP

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent Paid		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	9.21	4.95
Jayshree Chauhan (Relative of KMP)	11.05	-
Salary Paid		
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	24.00	-
Sameer Rajkumar Lalwani (Company Secretary)	8.50	-
Mamta Chauhan (Relative of KMP)	5.00	-
Jayshree Chauhan (Relative of KMP)	12.00	-
Total	69.76	4.95

24 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments.

Category	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments by category				
Financial assets measured at fair value through profit or loss				
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,040.49	1,040.49	653.07	653.07
Trade receivables (current and non current)	2,120.54	2,120.54	65.52	65.52
Cash and cash equivalents	2.80	2.80	1,530.88	1,530.88
Other bank balances (current and non current)	33.74	33.74	16.13	16.13
Total	3,197.57	3,197.57	2,265.60	2,265.60
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	8,614.81	8,614.81	717.83	717.83
Lease liabilities (current and non current)	452.88	452.88	632.30	632.30
Other financial liabilities (current and non current)	13,247.75	13,247.75	1,248.29	1,248.29
Trade payables (current and non current)	1,305.58	1,305.58	71.68	71.68
Total	23,621.02	23,621.02	2,670.10	2,670.10

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(i) Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

- Recognized and measured at Fair value
- Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value	Fair Value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,040.49	-	1,040.49	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	8,614.81	-	8,614.81	-
Lease liabilities (current and non current)	452.88	-	452.88	-
Other financial liabilities (current and non current)	13,247.75	-	13,247.75	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022

Particulars	Carrying value	Fair Value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	653.07	-	653.07	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	717.83	-	717.83	-
Lease liabilities (current and non current)	632.30	-	632.30	-
Other financial liabilities (current and non current)	1,248.29	-	1,248.29	-

25 Segment Information

The company does not have reportable segments at standalone level and the same is disclosed in the consolidated financial statements.

26 Contingent Liability & Commitments

Contingent Liabilities for Taxation Matters

(i) Demands against the Company not acknowledged as debts and not provided for:

Financial Years	As at March 31, 2023	As at March 31, 2022
2021-22	2.07	-
2019-20 to 2020-21	4.02	4.02
2017-18	2.14	2.14
2015-16	0.31	0.31
	8.54	6.47

27 Financial risk management objectives and policies

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

(a) Market Risk Management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans deposits, and investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity obligations and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's major customers are located in international market due to which the Company is also exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the movement in foreign currency exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies approved by its Board of Directors.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

Currency	As at March 31, 2023	As at March 31, 2022
USD	45.39	13.90

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities as given below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gain/ (loss) Impact on profit before tax and equity		Gain/ (loss) Impact on profit before tax and equity	
	Change +1%	Change -1%	Change +1%	Change -1%
Advance from Customers	-0.45	0.45	-0.14	0.14

(ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. All the existing borrowings of the Company carry fixed rate of interest and in functional currency. At 31 March 2023, the Company has following fixed rate borrowings:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings	8,614.81	717.83

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2023	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	766.56	7,848.25	-	8,614.81
Lease liabilities	190.82	262.06	-	452.88
Trade payable	1,305.58	-	-	1,305.58
Other financial liabilities	13,247.75	-	-	13,247.75
As at March 31, 2022				
Borrowings	109.28	608.56	-	717.84
Lease liabilities	197.96	434.34	-	632.30
Trade payable	71.68	-	-	71.68
Other financial liabilities	1,248.29	-	-	1,248.29

(c) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) **Trade Receivables**

The customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

Customer credit risk is managed by respective department head subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. There is one single customer from whom the Company earns revenue of more than 10%, however, there is no credit default risk from this customer since the amount are generally received in advance. Refer note 5(B) for movement in credit loss allowance during the year.

(ii) **Financial instruments and deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	As at March 31, 2023	As at March 31, 2022
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Other financial assets (current and non-current)	1,040.49	653.07
Cash and cash equivalents	2.80	1,530.88
Other bank balances (current and non current)	33.74	16.13
	1,077.03	2,200.08
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	2,120.54	65.52
	2,120.54	65.52

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

The ageing analysis of trade receivables has been considered from the date the invoice falls due

Particulars

Trade Receivables

0 to 180 days due past due date	2,091.55	48.83
More than 180 days past due date	28.99	16.69
Total Trade Receivables	2,120.54	65.52

28 **Capital management**

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	March 31, 2023	March 31, 2022
Loan and borrowing *	8,614.81	717.83
Less : Cash and cash equivalent	(2.80)	(1,530.88)
Net debts	8,612.01	(813.05)
Equity / Net Worth	17,808.83	3,948.37
Total Capital	17,808.83	3,948.37
Capital and Net debts	26,420.84	3,135.32
Gearing Ratio (Net Debt/Capital and Net Debt)	32.60%	-25.93%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

* Borrowings does not includes Lease liabilities

Magellanic Cloud Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

29 Additional Regulatory Information

- (i) **Details of Benami property:** No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) **Wilful defaulter:** Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) **Compliance with approved scheme of arrangements:** The Company has entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (iv) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (vii) **Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(viii) Ratios	As at 31 March 2023	As at 31 March 2022	Variance	% change
Current ratio (in times) (refer (a) below) Total current assets/Total current liabilities	0.21	1.31	-1.10	-84.16
Debt-Equity ratio (in times) (Debt consists of borrowings and lease liabilities)/(Total Equity)	0.51	0.34	0.17	48.90
Return on equity ratio (in %) (Profit for the year less Preference dividend (if any))/(Average total equity)	10%	7%	0.03	39.90
Trade receivables turnover ratio (in times) (Revenue from operations)/(Average trade receivables)	5.01	11.71	-6.70	-57.25
Net capital turnover ratio (in times) (Revenue from operations)/(Average Working Capital)	-0.89	2.74	-3.63	-132.38
Net profit ratio (in %) (Profit for the year)/(Revenue from operations)	19%	17%	0.03	16.06
Return on capital employed (in %) (Profit before tax and finance costs)/(Capital employed = Net worth + Lease liabilities + Deferred tax liabilities)	11%	10%	0.01	13.02
Operating Profit Margin (in %) (Operating Profit)/(Revenue from operations)	85%	65%	0.20	31.44
Debt Service Coverage Ratio (Earning for Debt Service = EBIT + Depreciation)/(Debt service = Interest and lease payments + Principal repayments)	0.33	5.87	-5.54	(94.42)

Notes :

(a) Reasons for movement in ratios greater than 25%

- (i) Current Ratio : Decrease is due to increase in current liability as short term borrowings are increased during the year.
- (ii) Debt Equity Ratio : Increase in current year is primarily due to additional borrowings during the year.
- (iii) Return of Equity (%) : Return on Equity in the current year has improved from 7 % in previous year to 10% in current year on the base of higher profit for the year.
- (iv) Trade Receivables Turnover (times): Decrease is due to higher receivables at the year end on account of unbilled and pending realisation of the Q4 debtors.
- (v) Net Capital Turnover Ratio : Decrease is due to increase in current liability during the year on account of current maturity of long term borrowings.
- (vi) Operating Profit Margin (%) : Increase is due to higher operation performance during the year.
- (vii) Interest Coverage Ratio : Interest Coverage Ratio is 3.31 in the current year as against 5.19 in the previous year primarily due to excessive use of debt compared to last year.
- (viii) Debt Service Coverage Ratio : The debt service coverage ratio is lower due to increased borrowings during the year and scheduled repayment of the borrowed funds.

30 The comparative previous year figures are reclassified or regrouped, wherever required.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For Bhuta Shah & Co. LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 30 May 2023

For and on behalf of the Board of Directors of

Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Joseph Sudheer Reddy Thumma
Managing Director
DIN No. 07033919

Sanjay Chauhan
Chief Financial Officer
PAN : AFLPC7749G

Place : Hyderabad
Date : 30 May 2023

Nikitha Tiparnapally
Independent Director
DIN No. 07399613

Sameer Rajkumar Lalwani
Company Secretary
PAN : AIDPL4094N

Independent Auditor's Report

To The Members of

Magellanic Cloud Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Magellanic Cloud Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit matters

Key audit matters (“KAM”) are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
<p>Revenue recognition – Fixed price contracts where revenue is recognized using percentage of completion method. Refer Note 2.3 and 18 to Consolidated financial statements</p>		
<p>1</p>	<p>The Group enters in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Group's estimate of contract costs.</p> <p>We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since –</p> <p>1.there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and complex nature of these contracts and significant inputs of IT systems;</p> <p>2.application of Ind AS 115, Revenue from Contracts with customers is complex and involves a number of key judgments and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;</p> <p>3.these contracts may involve onerous obligations which require critical assessment of foreseeable losses to be made by the Company; and</p> <p>4.at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.</p>	<p>Our audit procedures included the following:</p> <p>1.Obtained an understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</p> <p>2. On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including–</p> <p>i. Evaluation of the identification of performance obligations and the ascribed transaction price;</p> <p>ii. For testing Group's computation of the estimation of contract costs and onerous obligations, if any. We:</p> <ul style="list-style-type: none"> • assessed that the estimates of costs to complete the contracts were reviewed and approved by appropriate designated management personnel; • performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract; • assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and • inspected underlying documents and performed analytics to determine reasonableness of contract costs.

Other information

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements, and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

The Holding Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either

intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

- 1) We did not audit the financial statements and other financial information, in respect of three subsidiaries whose financial statements, without giving effect of the elimination of intra-group transactions, reflect, total assets of Rs. 24,370.63 Lakhs as at March 31 2023 and total revenue of Rs. 29,521.96 lakhs, and net cash outflow of Rs. 3,683.80 Lakhs for the year ended on that date. These financial statements have been audited by other auditor, whose financial statements and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates the amount and disclosures in respect of these subsidiaries, is based solely on report of such other auditors.

Two of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective

countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Holding Company and audited by us.

- 2) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements, without giving effect of the elimination of intra-group transactions, reflect, total assets of Rs. 1,791.72 Lakhs as at March 31, 2023, and total revenue of Rs. 498 Lakhs and net cash inflow of Rs. 258.60 Lakhs for the year ended March 31, 2023. These unaudited financial statements have been approved and furnished to us by the management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements provided by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated balance sheet, the Consolidated statement of profit and loss and the Consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding as well as subsidiary company as on 31 March 2023 taken on record by the respective Board of Directors, none of the directors of group companies is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group.
- b) The Group did not have any material foreseeable losses on long-term contracts, including derivative contracts, during the year ended 31 March 2023.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
- d) i The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii above contain any material misstatement.
- e) The dividend declared or paid during the year by the Holding Company incorporated in India is in compliance with Section 123 of the Act.
- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Group only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its Indian subsidiary to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.:101474W / W100100

Atul Gala
Partner

Mumbai
30 May, 2023

Membership No.: 048650
UDIN: 23048650BGT0GH2371

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi). In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remark given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No	Name of the entity	CIN	Relationship	Clause no. of the CARO report which is unfavourable
1.	Ivis International Private Limited	U74900TG2014PTC170088	Subsidiary	Clause ii(b)

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.:101474W / W100100

Atul Gala
Partner
Membership No.: 048650
UDIN: 23048650BGTOGH2371

Mumbai
30 May,2023

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Magellanic Cloud Limited ("the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Director's Responsibilities for Internal Financial Control

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

(the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.:101474W / W100100

Atul Gala

Partner

Membership No.: 048650

UDIN: 23048650BGTOGH2371

Mumbai
30 May,2023

Magellanic Cloud Limited
Consolidated Balance Sheet as at 31 March 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
I Non-current assets			
Property, plant and equipment	3	7,332.32	1,106.06
Right of use assets	4	2,956.76	678.55
Capital work in progress	3	148.89	-
Goodwill on Consolidation		12,052.78	5,460.72
Other Intangible assets	5	20,568.01	-
Financial assets		-	-
(i) Other financial assets	6	488.46	333.62
Deferred tax assets	14	563.06	265.73
Non-current tax assets	9	464.08	159.81
Other non-current assets	8	45.00	-
Total non-current assets		44,619.36	8,004.49
II Current assets			
Inventories	7	1,897.96	159.70
Financial assets	6	-	-
(i) Trade receivables		6,804.99	4,148.15
(ii) Cash and cash equivalents		5,042.32	5,580.31
(iii) Bank balances other than (ii) above		358.62	298.52
(iv) Other financial assets		3,451.64	885.13
Other current assets	8	10,344.15	458.66
Total current assets		27,899.69	11,530.46
Total Assets		72,519.04	19,534.95
EQUITY AND LIABILITIES			
I Equity			
Equity share capital	10	11,687.90	2,516.69
Other equity	11	17,997.66	5,201.96
Total equity attributable to owners of the Company		29,685.56	7,718.65
Non-controlling Interest		22.09	-
Total equity		29,707.65	7,718.65
Liabilities			
II Non-current liabilities			
Financial liabilities	12	-	-
(i) Borrowings		14,621.04	6,287.16
(ii) Lease liabilities		2,458.70	434.34
Provisions	13	186.67	293.62
Deferred tax liabilities (net)	14	1,538.44	-
Total non-current liabilities		18,804.85	7,015.12
III Current liabilities			
Financial liabilities	12	-	-
(i) Borrowings		4,082.43	2,186.44
(ii) Lease liabilities		410.85	197.96
(iii) Trade payables		-	-
(a) total outstanding dues of creditors other than micro and small enterprises		2,918.17	-
(b) total outstanding dues of micro and small enterprises		1,207.00	914.26
(iv) Other financial liabilities		9,744.84	1,158.70
Other current liabilities	16	3,528.74	110.12
Provisions	13	88.09	5.78
Current tax liabilities	17	2,026.42	227.92
Total current liabilities		24,006.55	4,801.19
Total Liabilities		42,811.39	11,816.30
Total Equity and Liabilities		72,519.04	19,534.95

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

For and on behalf of the Board of Directors of
Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Atul Gala
Partner
Membership No. 048650

Jagan Mohan Reddy Thumma
Director
DIN No. 06554945

Nikitha Tiparnapally
Independent Director
DIN No. 07399613

Sanjay Chauhan
Chief Financial Officer
PAN : AFLPC7749G

Sameer Rajkumar Lalwani
Company Secretary
PAN : AIDPL4094N

Place : Mumbai
Date : 30 May 2023

Place : Hyderabad
Date : 30 May 2023

Magellanic Cloud Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
I Income			
Revenue from operations	18	42,746.88	25,267.76
Other income	19	1,910.03	3,009.68
Total income		44,656.92	28,277.44
II Expenses			
Cost of goods sold		2,065.97	2,355.71
Cost of Services		15,256.77	-
Change in inventories of finished goods	20	(212.45)	(93.64)
Employee benefits expense	21	2,444.65	15,763.59
Finance costs	22	1,210.77	168.87
Depreciation and amortisation expense	23	2,147.33	271.09
Other expenses	24	12,365.81	6,531.39
Total expenses		35,278.85	24,997.01
III Profit before tax		9,378.06	3,280.43
IV Income tax expense	14		
Current tax		1,912.83	137.96
Deferred tax charge/(credit)		54.25	-44.97
Earlier year Tax		0.69	241.59
Total tax expense		1,967.76	334.58
V Net profit for the year after taxes but before share of profit of associate and joint venture		7,410.30	2,945.85
Share of profit of associates and joint ventures (net)		-	-
VI Profit for the year		7,410.30	2,945.85
VII Other comprehensive income			
(a) Items that will not be reclassified to profit or loss in subsequent periods			
(i) Remeasurements gains/(losses) on defined benefit plans		22.78	-160.11
(ii) Income tax effect on above		-5.73	-
(iii) Gain/loss on revaluation of Intangible assets		1,757.90	-
(iv) Income tax effect on above		-442.46	-
(b) Items that will be reclassified to profit or loss in subsequent periods			
(i) Foreign currency translation reserve		673.71	(44.19)
Other comprehensive income for the year, net of tax		2,006.19	(204.30)
VIII Total comprehensive income for the year, net of tax		9,416.49	2,741.56
IX Profit attributable to:			
Owners of the company		7,388.21	2,945.85
Non-controlling interest		22.09	-
		7,410.30	2,945.85
X Other comprehensive income attributable to:			
Owners of the company		2,006.19	-204.30
Non-controlling interest		-	-
		2,006.19	-204.30
XI Total comprehensive income attributable to:			
Owners of the company		9,394.41	2,741.56
Non-controlling interest		22.09	-
		9,416.49	2,741.56
XII Earnings per equity share [nominal value of share ₹ 10 (Previous year ₹ 10)]			
Basic earning per share(₹)		6.62	2.93
Diluted earning per share(₹)		6.62	2.93

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

For and on behalf of the Board of Directors of
Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Atul Gala
Partner
Membership No. 048650

Jagan Mohan Reddy Thumma
Director
DIN No. 06554945

Nikitha Tiparnapally
Independent Director
DIN No. 07399613

Sanjay Chauhan
Chief Financial Officer
PAN : AFLPC7749G

Sameer Rajkumar Lalwani
Company Secretary
PAN : AIDPL4094N

Place : Mumbai
Date : 30 May 2023

Place : Hyderabad
Date : 30 May 2023

Magellanic Cloud Limited
Consolidated Statement of Cash flow as at 31 March 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flows from operating activities :		
Profit before tax	9,378.06	3,280.43
Adjustments to reconcile profit before tax to net cash flows	-	-
Depreciation and amortisation expense	2,159.25	271.09
Interest income on bank deposits and others	(416.80)	(75.68)
Liabilities / provisions no longer required written back	-	12.81
Finance costs	1,198.86	168.87
Operating Profit before working capital changes	12,319.37	3,657.52
Movement in working capital	-	-
(Increase)/ Decrease in trade receivables	(5,031.14)	385.05
(Increase)/Decrease in Inventories	(3,152.70)	(93.64)
(Increase)/Decrease in Loans	1,264.48	594.20
(Increase)/Decrease in Provisions	1,235.73	-
(Increase)/Decrease in Other financial assets - current	(5,752.15)	-
(Increase)/Decrease in Other financial assets - non current	(885.93)	-
(Increase)/Decrease in Other non current assets	523.48	399.80
Increase/(Decrease) in short term loans and advances	(2,892.01)	-
(Increase)/Decrease in Other current assets	(15,037.35)	-
Increase/(Decrease) in Trade Payables	5,823.64	291.52
Increase/(Decrease) in Other Current Liabilities	6,545.41	(83.99)
Increase/(Decrease) in Provisions	-	26.91
Increase/(Decrease) in Other Financial Liabilities	22,129.86	-
Cash generated from operations	17,090.70	5,177.36
Income tax paid (net of refund)	(1,124.93)	(227.69)
Net Cash flows from operating activities (A)	15,965.77	4,949.67
B Cash flows from investing activities	-	-
Payment of property, plant & equipments & Intangibles	(10,814.80)	(488.50)
Purchase of Investment	(26,305.96)	-
Interest income	416.80	75.68
Net cash used in investing activities (B)	(36,703.96)	(412.82)
C Cash flows from financing activities	-	-
Issue of Shares	12,936.69	-
Dividend paid during the year	(140.43)	(366.64)
(Repayment) / Borrowing from financial institutions/Others, net	6,559.96	1,281.71
Lease Payments	2,102.95	-
Interest Expense	(1,198.86)	(168.87)
Net cash used in financing activities (C)	20,260.31	746.20
Net Increase/ (decrease) in cash and cash equivalents(A+B+C)	(477.88)	5,283.05
Cash and cash equivalents as at beginning	5,878.83	595.78
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents as at closing	5,400.94	5,878.83
Cash and cash equivalents	-	-
Balances with banks	-	-
In current / cash credit accounts	5,029.17	5,538.16
Deposits with a original maturity of less than three months	358.62	298.52
Cash on hand	13.15	42.15
Cash and cash equivalents at the end of the year	5,400.94	5,878.83

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

For and on behalf of the Board of Directors of
Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Atul Gala
Partner
Membership No. 048650

Jagan Mohan Reddy Thumma
Director
DIN No. 06554945

Nikitha Tiparnapally
Independent Director
DIN No. 07399613

Sanjay Chauhan
Chief Financial Officer
PAN : AFLPC7749G

Sameer Rajkumar Lalwani
Company Secretary
PAN : AIDPL4094N

Place : Mumbai
Date : 30 May 2023

Place : Hyderabad
Date : 30 May 2023

Magellanic Cloud Limited
Consolidated Statement of changes in equity as at March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

(a) Equity share capital

Particulars	Nos. in absolute	Amount
Balance as at April 01, 2021	2,51,66,940	2,516.69
Changes in Equity share capital during the year	-	-
Balance as at March 31, 2022	2,51,66,940	2,516.69
Changes in Equity share capital during the year	9,17,12,084	9,171.21
Balance as at March 31, 2023	11,68,79,024.00	11,687.90

(b) Other equity

Particulars	Equity component of other financial instruments	Securities premium	General reserves	Statutory Reserves	Foreign currency translation reserve	Retained earnings	Total other equity	Non-controlling interest
As at April 01, 2021	-	386.64	315.23	123.89	350.12	1,654.62	2,830.50	-
Profit for the year	-	-	-	-	-	2,946	2,945.85	-
Other comprehensive income for the year	-	-	-	-	-	-1.95	-1.95	-
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	-44.19	-160.11	-204.30	-
Total Comprehensive income for the year	-	386.64	315.23	123.89	305.92	4,438.42	5,570.10	-
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	(368.15)	(368.15)	-
As at March 31, 2022	-	386.64	315.23	123.89	305.92	4,070.27	5,201.96	-
Profit for the year	-	-	-	-	-	7,388.21	7,388.21	22.09
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Opening Foreign currency translation adjustment	-	-	-	-	-219.02	-	-219.02	-
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	-	17.05	17.05	-
Foreign Currency Translation Reserve	-	-	-	-	673.71	-	673.71	-
Gain/loss on revaluation of Intangible assets net off taxes	-	-	-	-	-	1,315.43	1,315.43	-
Total Comprehensive income for the year	-	-	-	-	454.69	8,720.69	9,175.39	22.09
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	-
Security premium on issue of shares under preferential allotment to qualified institutional buyers	-	12,526.67	-	-	-	-	12,526.67	-
Dividend paid during the year	-	-	-	-	-	(140.43)	(140.43)	-
Towards issue of Bonus Shares	-	(8,765.93)	-	-	-	-	(8,765.93)	-
As at March 31, 2023	-	4,147.39	315.23	123.89	760.61	12,650.54	17,997.66	22.09

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For Bhuta Shah & Co. LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

Atul Gala
Partner
Membership No. 048650

For and on behalf of the Board of Directors of
Magellanic Cloud Limited
CIN: L72100TG1981PLC169991

Jagan Mohan Reddy Thumma
Director
DIN No. 06554945

Nikitha Tiparnapally
Independent Director
DIN No. 07399613

Sanjay Chauhan
Chief Financial Officer
PAN : AFLPC7749G

Sameer Rajkumar Lalwani
Company Secretary
PAN : AIDPL4094N

Place : Mumbai
Date : 30 May 2023

Place : Hyderabad
Date : 30 May 2023

1 Background

Magellanic Cloud Limited, (formerly known as South India Projects Limited) ("the Group") incorporated on 04 December, 1981 is a domestic Group, and is domiciled in Hyderabad, India. The registered office of the Group is at Dallas Centre, 6th & 7th Floor, 83/1, Knowledge City, Raidurg, Hyderabad, Telangana 500032. The Group is engaged in the business of IT solutions, E - Surveillance and Human Capital.

2 Summary of Significant accounting policies

2.1 Basis of preparation of financial statements

Compliance with Ind AS: The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.2 Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries.

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

In case of loss of control of a subsidiary, the difference of the aggregate of fair value of consideration received and fair value of retained interest as compared to the carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and related noncontrolling interest, if any, is recognised as gain or loss in Consolidated statement of profit and loss. Additionally, components of Other Comprehensive Income of Subsidiaries are reclassified to Consolidated statement of profit and loss or transferred directly to retained earnings.

The fair value of any investment retained at the date when control is lost is regarded as the cost on initial recognition of investment in an associate or jointly controlled entity or as the fair value on initial recognition of investment classified as a financial asset.

InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

2.3 Revenue Recognition:

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the consideration, net of indirect taxes, discounts, rebates, credits, concessions, incentives, penalties, or other similar items.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

Magellanic Cloud Limited

Consolidated Balance Sheet as at 31 March 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

2.4 Property plant and equipment

(i) Tangible property plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

(ii) Depreciation/Amortisation:

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the costless estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

(iii) Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

(iv) Impairment Testing of Property, Plant and Equipment, and Intangible Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

(v) Goodwill and Intangible Assets

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination. Intangible assets are initially recognised at cost except those acquired in a business combination.

Subsequent to initial recognition, intangible assets are accounted by the Group using revaluation model for its software used in e-surveillance business. the revaluation gain is recognised in Other comprehensive income as revaluation reserve and carrying amount adjusted to the extent. Any decrease in the carrying amount as a result of revaluation is recognised in the statement of profit or loss except to the extent of any credit balance in the revaluation surplus available with the Group in respect of that asset. Intangible assets are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets under development: The Group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset. Intangible assets acquired under business combination Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost).

2.5 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Group is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Magellanic Cloud Limited
Consolidated Balance Sheet as at 31 March 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.6 Foreign currency transactions

(i) Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

(ii) Measurement of monetary items denominated in foreign currency at the Balance Sheet date

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Group outstanding at the Balance Sheet date are restated at the year-end rates.

Non monetary foreign currency items are carried at cost.

(iii) Treatment of exchange differences

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Group's exposure is fixed in INR terms.

2.7 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.8 Income taxes

(i) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Group will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Magellanic Cloud Limited

Consolidated Balance Sheet as at 31 March 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

2.9 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.10 Provisions and contingencies:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognized and disclosed in Financial statements.

2.11 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Magellanic Cloud Limited
Consolidated Balance Sheet as at 31 March 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.12 Impairment of financial assets

The Group applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Magellanic Cloud Limited

Consolidated Balance Sheet as at 31 March 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

2.13 Business Combination

The Group accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Before recognising capital reserve in respect thereof, the Group determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional asset or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it directly in equity as capital reserve. Non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to initial acquisition, the carrying amount of non-controlling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date. In consolidated financial statements, acquisition of non-controlling interest is accounted as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Business Combination under common control are accounted under "the pooling of interest method" i.e. in accordance with Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

2.14 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Useful lives of property, plant and equipment and intangible assets**

The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

(ii) **Revenue Recognition**

The Group applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

The Group exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

(iii) **Fair value of financial assets and liabilities**

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

Magellanic Cloud Limited

Consolidated Balance Sheet as at 31 March 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

2.15

Recent Accounting Pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Buildings	Plant and Machinery	Furniture and fittings	Vehicles	Office equipment	Computers	E - Surveillance Equipments	Total	Capital work in progress	Grand total
Gross carrying amount										
As at April 01, 2021	789.61	-	44.10	151.67	8.62	159.54	-	1,153.54	-	1,153.54
Additions during the year	-	-	18.70	24.65	104.40	83.18	-	230.94	-	230.94
Disposals/adjustments	-	-	0.46	0.34	-	1.06	-	1.86	-	1.86
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-	-	-	-	-	-	-	-	-
Foreign currency translation impact	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	789.61	-	63.26	176.66	113.02	243.79	-	1,386.33	-	1,386.33
Additions during the year	-	-	12.08	97.63	35.12	699.04	1,347.57	2,191.45	804.32	2,995.77
Disposals/adjustments	-	-	(3.58)	(0.34)	(0.31)	(2.57)	(32.27)	(39.07)	(655.43)	(694.50)
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-	181.84	-	38.36	180.63	9,465.60	9,866.43	-	9,866.43
Foreign currency translation impact	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	789.61	-	253.60	273.96	186.19	1,120.89	10,780.90	13,405.13	148.89	13,554.02
Accumulated depreciation										
As at April 01, 2021	7.21	-	39.87	54.10	4.04	92.04	-	197.27	-	197.27
Depreciation charge for the year	12.48	-	2.09	18.98	9.06	39.12	-	81.73	-	81.73
Disposals/adjustments	-	-	0.42	0.25	-	0.59	-	1.27	-	1.27
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-	-	-	-	-	-	-	-	-
Foreign currency translation impact	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	19.69	-	42.38	73.34	13.10	131.76	-	280.27	-	280.27
Depreciation charge for the year	12.50	-	7.08	19.78	27.36	89.32	1,476.58	1,632.62	-	1,632.62
Disposals/adjustments	-	-	13.47	-	5.11	-	-	18.58	-	18.58
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-	99.12	-	19.53	128.25	3,894.43	4,141.34	-	4,141.34
Foreign currency translation impact	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	32.19	-	162.05	93.12	65.10	349.33	5,371.01	6,072.81	-	6,072.81
Net Carrying amounts										
As at March 31, 2022	769.91	-	20.87	103.32	99.92	112.03	-	1,106.06	-	1,106.06
As at March 31, 2023	757.41	-	91.55	180.83	121.08	771.56	5,409.88	7,332.32	148.89	7,481.21

Notes:

(a) Property, plant and equipment are hypothecated as security for borrowing by the group.

(b) Property, plant and equipment includes Building which has a carrying value of Rs 757.41 Lakhs that has been given on operating lease and earns monthly rentals. (refer Note 19). Short term lease are cancellation at the option of either party

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

(c) Ageing of capital work-in-progress is as below:

As at March 31, 2023

CWIP for a period of	As at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	148.89	-	-	-	1,48,88,536.58

CWIP for a period of	As at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

(d) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

Magellanic Cloud Limited**Notes forming part of the consolidated financial statements for the year ended 31 March 2023****(All amounts in Indian ₹ lakhs, unless otherwise stated)****4 Right of use assets and leases liabilities**

(i) Right of use assets: The Group's lease asset primarily consist of following:

(a) Lease contracts entered by the group pertain for building taken on lease to conduct its business in the ordinary course having lease terms between 36 to 60 months. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

There are certain premises taken on lease by the Group wherein the lease duration is less than 12 months. These are short term leases and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Building	Total
As at April 01, 2021	946.82	946.82
As at March 31, 2022	946.82	946.82
Additions during the year	2,715.81	2,715.81
Addition/ Deletion due to other reason (business acquisition/disposal etc)	70.87	70.87
Disposal/adjustment during the year	-	-
As at March 31, 2023	3,733.50	3,733.50
Accumulated depreciation	-	-
As at April 01, 2021	78.90	78.90
Depreciation for the year	189.36	189.36
As at March 31, 2022	268.27	268.27
Depreciation for the year	490.01	490.01
Disposal during the year	18.47	18.47
As at March 31, 2023	776.74	776.74
Carrying amounts (net)	-	-
As at March 31, 2022	678.55	678.55
As at March 31, 2023	2,956.76	2,956.76

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	946.82	946.82
Addition during the year	2,715.81	-
Disposal/adjustment during the year	-	-
Balance at the end	3,662.64	946.82

Current maturities of lease liabilities	410.85	197.96
Non-current lease liabilities	2,458.70	434.34

(iv) Amount recognised in the statement of Profit and loss during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right of use assets	490.01	-
Finance cost incurred during the year	116.48	28.19
Total	606.49	28.19

(v) The Group does not face significant liquidity risk with regard to its lease liabilities as the current cash flow are sufficient to meet the obligation related to lease liabilities as and when they fall due.

(vi) Non-cash investing activities during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Acquisition of right of use assets	2,715.81	-
Disposal of right of use assets	(18.47)	-

Magellanic Cloud Limited**Notes forming part of the consolidated financial statements for the year ended 31 March 2023****(All amounts in Indian ₹ lakhs, unless otherwise stated)****5 Goodwill and Other Intangible assets**

Particulars	Computer Software	Total intangible assets
Gross carrying amount		
As at April 01, 2021	823.88	823.88
Additions during the year	-	-
Exchange difference on Translation of foreign transactions	-	-
As at March 31, 2022	823.88	823.88
Adjustment for Opening restatement	-	-
Additions during the year	2.73	2.73
Exchange difference on Translation of foreign transactions	1,765.06	1,765.06
Disposals/adjustments	(7.83)	(7.83)
Addition due to other reason (business acquisition/disposal etc)	18,056.37	18,056.37
As at March 31, 2023	20,640.21	20,640.21
Accumulated amortisation	-	-
As at April 01, 2021	22.77	22.77
Amortisation for the year	32.03	32.03
As at March 31, 2022	54.80	54.80
Amortisation for the year	25.23	25.23
Disposals/adjustments	(7.83)	(7.83)
As at March 31, 2023	72.20	72.20
	-	-
As at March 31, 2022	769.08	769.08
As at March 31, 2023	20,568.01	20,568.01

Note:**(i) Impairment testing of goodwill and intangible assets**

The Group tests goodwill on an annual basis and whenever there is an indication that the CGU to which the goodwill has been allocated may be impaired. The goodwill impairment test is performed at the level of the CGU or group of CGUs that benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount is determined based on higher of value-in-use and fair value less cost of disposal. Where there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions, the recoverable amount is determined by value-in-use. In determining the value-in-use, cash flow projections approved by appropriate level of management are considered. In circumstances where a reliable value-in-use estimate is difficult to make whereas market value of the asset or the CGU or group of CGUs is readily available, the latter is used for the determination of recoverable amount with appropriate adjustments, where applicable. During the year the management has not identified any indicators of impairment on goodwill allocated to CGU's.

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs unless otherwise stated)

6 Financial Assets

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(A) Trade receivables (valued at amortised cost) (Unsecured)				
Trade receivables from contract with customers - considered goods - billed	-	-	6,864.75	4,148.15
less: Impairment allowance for trade receivable - credit impaired	-	-	(59.76)	-
Total	-	-	6,804.99	4,148.15

	As at 31 March 2023	As at 31 March 2022
(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:		
Balance as at beginning of the year	-	-
Addition during the year	59.76	-
Utilisation of provision during the year	-	-
Balance as at the end of the year	59.76	-

(c) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(B) Cash and cash equivalents (valued at amortised cost)				
Balances with banks				
In current accounts	-	-	5,029.17	5,538.16
Cash on hand	-	-	13.15	42.15
Notes:			5,042.32	5,580.31

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs unless otherwise stated)

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(C) Other Bank balances				
Deposits with original maturity of more than twelve months (refer note (a))	-	-	341.84	36.94
Unpaid dividend accounts (refer note (b))	-	-	16.78	261.58
	-	-	358.62	298.52
Notes:				
(a) The deposits maintained by the Group with banks comprise of the time deposits, which may be withdrawn by the Group at any point of time without prior notice and are made of varying periods between 3 months to 12 months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.				
(b) Any dividend amount routed to the Unpaid Dividend Account which remains unclaimed or unpaid for seven years from the date of such transfer shall be channelized by the company along with interest accrued, if any, thereon to the fund set up under subsection (1) of section 125.				
(D) Other financial assets (Unsecured, considered good unless otherwise stated)				
Financial assets measured at amortised cost				
Security deposits	235.75	333.62	91.85	-
Intercompany deposits	-	-	322.39	439.31
Interest accrued on bank deposits	1.54	-	0.97	-
Loan to employees	39.30	-	472.53	-
Retention money receivable	211.87	-	-	-
Unbilled Revenue	-	-	630.53	-
Others	-	-	1,933.37	445.82
	488.46	333.62	3,451.64	885.13
	488.46	333.62	3,451.64	885.13
(a) Disclosure as required by Section 186 of the Companies Act, 2013 for Inter- corporate deposit is as below:				
Opening balance			439.31	811.87
Given during the year			39.58	185.02
Refunded during the year			(156.50)	(557.58)
Closing balance			322.39	439.31
7 Inventories (Valued at lower of cost and net realisable value unless otherwise stated)				
Raw material and components			957.42	-
Finished goods			940.54	159.70
			1,897.96	159.70
Notes:				
(a) Inventory is pledged as security for borrowing by the Group. [Refer note 12]				
8 Other assets (Unsecured considered good, unless otherwise stated)				
Advance other than capital advance				
Advance for material and supplies considered good	-	-	109.92	-
Employee advances	-	-	18.93	158.76
Others				
Prepaid expenses	-	-	3,710.12	32.87
Balances with government authorities considered good	-	-	1,887.41	242.10
Advance to Vendors	-	-	4,106.12	22.18
Others	45.00	-	511.65	2.75
	45.00	-	10,344.15	458.66
	45.00	-	10,344.15	458.66
9 Non-current tax assets				
Income Tax assets (net of provision for income tax)	464.08	-	-	159.81
	464.08	-	-	159.81

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
10 Share Capital				
(i) Authorised Share Capital				
17,50,00,000 Equity shares of Rs. 10 each	17,50,00,000.00	17,500.00	5,50,00,000.00	5,500.00
	17,50,00,000.00	17,500.00	5,50,00,000.00	5,500.00
(ii) Issued, subscribed and fully paid up				
Equity share capital				
Equity shares of ₹10/- each with voting rights	11,68,79,024.00	11,687.90	2,51,66,940.00	2,516.69
	11,68,79,024.00	11,687.90	2,51,66,940.00	2,516.69
(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Equity shares of ₹10/- each with voting rights				
Balance at the beginning of the year	2,51,66,940.00	2,516.69	2,51,66,940.00	2,516.69
Add: Issue of equity shares under preferential allotment	40,52,816.00	405.28	-	-
Add: Issue of bonus shares	8,76,59,268.00	8,765.93	-	-
Balance at the end of the year	11,68,79,024.00	11,687.90	2,51,66,940.00	2,516.69

(iv) **Details of shareholders holding more than 5% shares in the Group:**

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10/- each with voting rights				
Joseph Sudheer Reddy Thumma	4,63,08,224	39.62%	1,15,77,056	46.00%
Jagan Mohan Reddy Thumma	94,00,000	13.32%	23,50,000	9.34%
Dennis Reddy Thumma	68,28,348	9.68%	16,00,000	6.36%
Innamma Reddy Thumma	55,18,596	7.82%	13,79,649	5.48%

(v) **Terms/rights attached to equity shares**

The Group has only one class of issued equity shares capital having par value of ₹10 per share as on 31 March 2022. Each shareholder is entitled to one vote per share held. The Group declares interim dividend of Rs. 0.55 per share and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential assets, in proportion to their shareholding.

(vi) **Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows:**

	As at	
	31 March 2023	31 March 2022
Equity shares allotted as fully paid up by way of bonus shares by capitalization of securities premium	8,765.93	-

(vii) **Dividend paid**

Dividend declared and paid during the year	As at	
	31 March 2023	31 March 2022
Final dividend of ₹ 0.5 per share	-	125.83
Interim dividend of ₹ 0.55 per share	140.43	-
	140.43	125.83

Notes:

(a) The Group has allotted 11,33,500 preferential equity shares at issue price of Rs. 289.61/- each (face value of Rs. 10 and premium of Rs. 279.61/- each on 26 April, 2022.

(b) The Group has allotted 29,19,316 preferential equity shares at issue price of Rs. 395/- each (face value of Rs. 10 and premium of Rs. 385/- each on 06 March, 2023.

(c) The board of directors in their meeting held on 14 March 2023 have also proposed the bonus issue of 4 equity share of ₹ 10 each for every 1 equity share of ₹ 10 each held by the shareholders of the Group on the record date

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(All amounts in Indian ₹ lakhs unless otherwise stated)

11 (A) Other equity:

	As at March 31, 2023	As at March 31, 2022
Securities premium	4,147.39	386.64
General Reserve	315.23	315.23
Statutory Reserves	123.89	123.89
Foreign currency translation reserve	760.61	305.92
Retained earnings	12,650.54	4,070.27
Total other equity	17,997.66	5,201.96
(i) Securities premium		
Opening balance	386.64	386.64
Movement during the year	3,760.75	-
Closing balance	4,147.39	386.64
(ii) General Reserve		
Opening balance	315.23	315.23
Movement during the year	-	-
Closing balance	315.23	315.23
(iii) Statutory Reserves		
Opening balance	123.89	123.89
Purchase of non controlling interest	-	-
Closing balance	123.89	123.89
(iv) Foreign currency translation reserve		
Opening balance	305.92	350.12
Movement during the year	454.69	(44.19)
Closing balance	760.61	305.92
(v) Retained earnings		
Opening balance	4,070.27	1,654.62
Net profit for the year	7,388.21	2,945.85
Other comprehensive income / (loss) for the year	1,332.48	(162.06)
Dividend paid	(140.43)	(368.15)
Closing balance	12,650.54	4,070.27

Nature and purpose of other reserves

- (i) **Securities premium**
The amount received in excess of face value of the equity shares is recognized in Securities Premium. The account is utilized in accordance with the provisions of the Company's Act, 2013.
- (ii) **General Reserve**
Under the erstwhile Companies Act, 1956, general reserves were created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.
- (iii) **Statutory Reserves**
Under the erstwhile Companies Act, 1956, general reserves were created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013.
- (v) **Retained earnings**
Retained earnings are the profits that the Company has earned till date including gain/(loss) on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs unless otherwise stated)

12 Financial liabilities
(A) Borrowings (valued at amortised cost)

	Long term borrowing		Short term borrowing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Term loans				
Term loans from bank (secured) (refer note (i) below)	14,532.54	1,539.43	3,170.43	298.08
Loans from director	-	-	612.40	-
Term loans from others (unsecured)	88.50	4,747.73	299.60	1,888.36
	14,621.04	6,287.16	4,082.43	2,186.44

Notes:

- (i) The Group has obtained terms loans for the purpose of Vehicle purchase, Property purchase and WC Term loan from various banks. Vehicle loan is repayable in 37 to 60 equal monthly installments and carries interest rate ranging from 7.99% p.a. to 13% p.a. and maturity between December 2023 till October 2027. The loan is secured against vehicles purchased. Property loan is repayable in 156 equal monthly installment carrying interest rate 9.8% p.a. and will be maturing in September 2033. The Property is mortgaged to the banks till the time loan is repaid. Working Capital loan is repayable in equal monthly installment between August 2023 to June 2029 and carries interest rate 7.50 % p.a. to 16.25% p.a. The loan is secured against Personal guarantee of Directors, commercial property and vacant land which are owned by the Directors. For Ivis International Private Limited & Provigil Surveillance Limited the current assets & Property, Plant and Equipment are hypothecated against the loans taken from Banks.
- (ii) The details on information required to be submitted by the Group for borrowings taken is provided to the extent such information is made available by the subsidiaries.

Quarter ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Differences	Reason for material discrepancies
Inventory				Information is generally submitted at the start of the month before the books are finalised therefore the information submitted to banks may not contain the closure entries
Dec-31	600.18	587.16	13.02	
Mar-31	980.12	915.19	64.93	
Trade Payables				
Dec-31	777.10	780.07	(2.98)	
Mar-31	1,616.12	1,418.31	197.81	
Trade Receivables				
Dec-31	2,455.41	3,464.33	(1,008.92)	
Mar-31	4,466.26	5,107.55	(641.29)	

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(B) Lease liabilities (valued at amortised cost)				
Lease liabilities (refer note 4)	2,458.70	434.34	410.85	197.96
	2,458.70	434.34	410.85	197.96
(C) Trade payables (valued at amortised cost)				
Total outstanding dues of creditors other than micro and small enterprises	-	-	2,918.17	-
Total outstanding dues of micro enterprises and small enterprises	-	-	1,207.00	914.26
	-	-	4,125.17	914.26

- (ii) The trade payables are unsecured and non interest bearing and are usually on varying trade term.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(D) Other financial liabilities				
Financial liabilities measured at amortised cost				
Dividend payable	-	-	16.18	10.97
Payable for purchase consideration	-	-	7,647.30	-
Advance received from customers	-	-	4.14	-
Accrued expenses	-	-	598.46	-
Payable to employees	-	-	1,478.77	1,123.43
Others	-	-	-	24.30
	-	-	9,744.84	1,158.70

13 Provisions

Provision for employee benefits

Provision for gratuity (refer note 26)

Others

Provision for client deduction

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 26)	186.67	293.62	24.19	5.78
Others	-	-	-	-
Provision for client deduction	-	-	63.89	-
	186.67	293.62	88.09	5.78

Notes

- (i) The Group has made provision for client deduction based on the estimate of expected recovery of dues in accordance with the service level agreement. These provisions are based on management's best estimate and based on past experience. The assumptions made in relation to the current year are consistent with those in the prior year. The table below gives information about movement in provisions for client deduction.

	As at March 31, 2023	As at March 31, 2022
	Balance as at beginning of the year	
Add: Provision made during the year	63.89	-
Less: Utilized during the year	-	-
Balance as at the end of the year	63.89	-
Non-current portion	-	-
Current portion	63.89	-

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
14 Income tax and deferred tax		
The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:		
(a) Income tax expense in the statement of profit and loss comprises :		
Current income tax charge	1,912.83	
Adjustment in respect of current income tax of previous year	0.69	
Total current income tax	1,913.52	-
Deferred Tax charge / (credit)	-	
Relating to origination and reversal of temporary differences	54.25	
Income tax expense reported in the statement of profit or loss	1,967.76	-
(b) Other Comprehensive Income		
Tax expense related to items recognised in Other comprehensive income during the year:		
Deferred tax on re-measurement loss on defined benefit plans	(5.73)	-
Income tax on other item in other comprehensive income	(442.46)	-
Income tax related to items recognised in Other comprehensive income during the year	(448.20)	-
(d) Deferred tax liabilities /assets comprises :		
	Balance Sheet	
	As at	As at
	March 31, 2023	March 31, 2022
Deferred tax liabilities (net)		
Property, plant and equipment and intangible assets	988.68	-
Right of Use	100.83	-
On revaluation of assets	442.46	-
Others	5.87	31.36
	1,537.85	31.36
(A)	1,537.85	31.36
Deferred tax assets (net)		
Expenses allowable on payment basis	23.90	-
Other - Security deposits	4.89	-
Lease Liability	91.89	-
Provision for Gratuity	31.57	-
Unabsorbed depreciation and carried forward tax losses	78.65	-
Provision for Expected Credit Loss	10.58	-
Others	320.99	297.08
	562.47	297.08
(B)	562.47	297.08
Net Deferred tax liabilities	(A) - (B)	265.73
Balances of Deferred Tax Assets /Deferred Tax Liabilities are presented in Balance sheet as below:		
Deferred tax asset	563.06	
Deferred tax liability	1,538.44	
(e) Effective tax rate has been calculated on profit before tax.		

15 Contract balances

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(A) Trade Receivables {refer note (a) below and note 6(A)}	-	-	6,804.99	-
(B) Unbilled Revenue{refer note (a) below and note 6(D)}	-	-	630.53	-
(C) Contract Liability {refer note (b)}	-	-	103.32	-

Notes

- (a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional. Unbilled revenue represents for which services are provided but invoicing to be done as per milestones
- (b) The group has entered into the agreements with customers for sales of goods and services. The group has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the group has obligation to deliver the goods and perform specified services to a customer for which the group has received consideration.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
16 Other liabilities				
Advances from customers	-	-	103.32	39.98
Statutory dues payable	-	-	449.16	70.14
Other Current Liability	-	-	1,545.39	-
Employee retention credit	-	-	1,430.87	-
	-	-	3,528.74	110.12
17 Current tax liability				
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	2,026.42	227.92
	-	-	2,026.42	227.92

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
18 Revenue from operations		
Revenue from contract with customers		
Sale of products	1,178.29	-
Sale of services	40,385.76	22,707.30
Sale of FMCG goods	1,182.82	2,538.35
	<u>42,746.88</u>	<u>25,245.66</u>
Other operating revenues	-	22.10
	<u>-</u>	<u>22.10</u>
Total revenue from operations	<u>42,746.88</u>	<u>25,267.76</u>
Notes:		
(i) Timing of revenue recognition		
Goods transferred at a point in time	2,361.12	-
Services transferred over the time	40,385.76	22,707.30
Total revenue from contract with customers	<u>42,746.88</u>	<u>22,707.30</u>
Add: Other operating revenues	-	22.10
Total revenue from operations	<u>42,746.88</u>	<u>22,729.40</u>
(ii) Revenue by location of customers		
Within India	14,850.04	-
Outside India	27,896.84	-
	<u>42,746.88</u>	<u>-</u>
(iv) Unsatisfied performance obligations:		
Information about the group's performance obligations are summarised below:		
Sale of products and FMCG items: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.		
Sale of services: The performance obligation in respect of ITeS services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer. Advances received for unsatisfied performance obligation is recognised as contract liability and disclosed as Advances from customers as at the year end.		
The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2023 and expected time to recognise the same as revenue is as follows:		
Within one year	103.32	-
More than one year	-	-
	<u>103.32</u>	<u>-</u>
19 Other Income		
Interest income on financial assets carried at amortised cost		
Deposit with banks	22.56	-
Other Deposits	10.21	-
Interest on Intercorporate Deposits	51.97	75.68
Rental income {refer note 3}	82.09	-
Other non-operating income	-	-
Dividend Income	0.05	-
Incentives received	71.45	-
Other income	1,671.71	2,934.00
	<u>1,910.03</u>	<u>3,009.68</u>

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
20 Change in inventories of finished goods		
Inventories at the end of the year:		
Finished goods	1,110.27	159.70
	1,110.27	159.70
Inventories at the beginning of the year:		
Finished goods	159.70	66.05
	159.70	66.05
Inventories acquired pursuant to business combination during the year		
Finished goods	738.12	-
	738.12	-
Net (increase) / decrease in inventories	(2,12,45,421.14)	(93,64,273.00)
21 Employee benefits expense		
Salaries, wages and bonus	2,270.69	15,685.90
Contribution to provident and other funds	80.25	23.69
Gratuity Expense (Refer note 26)	56.48	36.00
Staff welfare expense	37.22	17.99
	2,444.65	15,763.59
22 Finance costs		
Interest on borrowings	1,061.10	137.59
Interest on TDS	1.04	-
Other finance charges including bank charges	29.08	3.09
Interest expense on lease liabilities	116.48	28.19
BG Commission	3.08	-
	1,210.77	168.87
23 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 3)	1,632.62	271.09
Amortisation on intangible assets (refer note 5)	24.70	-
Depreciation on right-of-use assets (refer note 4)	490.01	-
	2,147.33	271.09
24 Other expenses		
Transportation Expense	105.37	-
AMC Expenses	10.76	-
Repairs and maintenance:	577.30	138.42
Office Expenses	793.56	-
Internet & Telephone	719.20	66.92
Insurance expense	288.78	275.68
Field Maintenance Expense	160.04	-
Travelling and conveyance expense	243.94	155.65
Installation Expenses	14.56	-
Audit Fees (refer note (i) below)	23.44	3.40
Legal and professional charges	3,068.14	396.68
Impairment allowance for trade receivable - credit impaired	59.76	288.22
Software Expenses	32.19	-
Printing and stationery expense	22.04	4.90
Beat Marshall Expenses	1,727.81	-
Rent Expenses	473.39	256.80
Advertisement and sales promotion expense	26.43	97.15
Bank Charges	13.60	8.86
Exchange fluctuations (net)	134.80	12.01
Brokerage and Commission	127.92	-
Interest on TDS	9.29	-
Research and development expenses	170.24	-
Client Deduction	63.89	-
Registration charges	12.42	-
Contribution towards corporate social responsibility expense (CSR) (refer note (ii) below)	38.98	-
Rates & Taxes	112.80	26.17
Power & fuel	26.58	1.31
Labour & Contract Expense	2,741.45	124.09
Donations	5.61	-
Membership & Subscription	44.21	-
Royalty Expense	334.82	-
Consultancy Service	10.10	3,916.06
Computer Consumables	15.08	-
Miscellaneous Expense	157.32	759.05
	12,365.81	6,531.39

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

Note:

(i) **Details of payments to auditors**

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Audit fee (including Limited review fee)	18.00	-
Tax Audit	4.00	-
In other capacities:		
Certification fee and others	1.25	-
Reimbursement of expenses	0.19	-
Total (included in legal and professional charges)	23.44	-

(ii) **Contribution towards corporate social responsibility expense (CSR)**

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) amount required to be spent by the company during the year,	38.48	-
(b) amount of expenditure incurred,	19.06	-
(c) amount of previous year excess spent	19.92	-
(d) Amount spent during the year on:	-	-
i) On purposes other than above	38.98	-
(e) Excess spent during the year	0.50	-
	-	-

25 Earnings per share (EPS)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year	7,398.51	2,945.85
Weighted average number of Equity Shares (in Nos.):	-	-
- Basic	11,18,23,766.00	10,06,67,760.00
- Diluted	11,18,23,766.00	10,06,67,760.00
Basic earnings per share in rupees (Face value ₹10 per share) (In rupees)	6.62	2.93
Diluted earnings per share in rupees (Face value ₹10 per share) (In rupees)	6.62	2.93

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

26 Disclosure of Defined benefit plans and defined contribution plan

(A) Defined benefit plan

The Group operates following defined benefit obligations:

(a) Gratuity (defined benefit plan)

In accordance with the applicable laws, the group entities operate a gratuity plan covering qualifying employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	210.86	299.40
Fair value of plan assets	-	-
Net asset/(liability) recognized in consolidated balance sheet	210.86	299.40
Non-current portion term	186.67	293.62
Current portion	24.19	5.78

(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Current service cost	43.67	28.40
Interest cost (net)	12.81	7.60
Net defined benefit expense debited to statement of profit and loss	56.48	36.00

(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligation as at the beginning of the year	178.31	233.28
Current service cost	43.67	28.40
Interest cost	12.81	7.60
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:	-	-
Actuarial changes arising from changes in demographic assumptions	-	0.00
Actuarial changes arising from changes in financial assumptions	(5.59)	(7.64)
Actuarial changes arising from changes in experience adjustments	(17.19)	37.75
Benefits paid	(1.15)	-
Closing defined benefit obligation	210.86	299.40

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

(iv) **Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):**

Particulars	Gratuity Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	-	0.00
Actuarial changes arising from changes in financial assumptions	(5.59)	(7.64)
Actuarial changes arising from changes in experience adjustments	(17.19)	37.75
Recognised in other comprehensive income	(22.78)	30.12

(v) **Principal actuarial used in recognition of Defined benefit obligation are as follows:**

Particulars	Gratuity Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.41% - 7.53%	6.9% - 7.38%
Future salary increase	5% - 8%	5% - 8%
Expected return on plan assets	N.A	N.A

Mortality rate

Particulars	Year ended March 31, 2023
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)

(vi) **Quantitative sensitivity analysis for significant assumptions is as shown below:**

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
1% increase in discount rate	105.56	(5.37)
1% decrease in discount rate	(135.79)	6.20
1% increase in salary escalation rate	147.02	4.99
1% decrease in salary escalation rate	(116.92)	(4.57)

Magellanic Cloud Limited**Notes forming part of the consolidated financial statements for the year ended March 31, 2023****(All amounts in Indian ₹ lakhs, unless otherwise stated)****(vii) Maturity profile of defined benefit payments:**

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
1st following year	24.70	5.78
2nd following year	10.52	5.98
3rd following year	11.30	6.14
4th following year	12.44	6.53
5th following year	30.01	6.84
Sum of years 6 to 10	63.83	30.54
Sum of years 11 and above	458.91	84.18

(viii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident and other funds	80.25	23.69
Total	80.25	23.69

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

(All amounts in Indian ₹ lakhs, unless otherwise stated)

27 Business Combinations and acquisition of non-controlling interest**Acquisition of subsidiaries****Ivis International Private Limited**

On 01 May 2022, the Group has acquired 100% stake in Ivis International Private Limited for consideration in cash aggregating to Rs. 301,96.96 lakhs. Ivis International Private Limited is into video surveillance and advance monitoring service industry. The purchase price has been allocated based on estimates made by the management resulting into goodwill on consolidation of Rs. 4,294.41 lakhs.

Provigil Surveillance Private Limited

On 09 November 2022, the Group has acquired 100% stake in Provigil Surveillance Private Limited for consideration in cash aggregating to Rs. 3,597 lakhs. Provigil Surveillance Private Limited is into video surveillance and advance monitoring service industry. The purchase price has been allocated based on estimates made by the management resulting into goodwill on consolidation of Rs. 1,063.01 lakhs.

Scandron Private Limited

On 16 March, 2023, the Group has acquired 100% stake in Scandron Private Limited for consideration in cash aggregating to Rs. 20 lakhs. Scandron is into manufacturing of Logistic Drones. The purchase price has been allocated based on estimates made by the management resulting into goodwill on consolidation of Rs. 80.25 lakhs.

Assets acquired and liabilities assumed: The fair values of the identifiable assets and liabilities acquired in the business combination on the date of acquisition were as follows::

Particulars	Scandron Private Limited	Ivis International Private Limited	Provigil Surveillance Private Limited
Property, plant and equipment	4.53	7,837.99	501.43
Inventories	721.09	726.14	-
Trade receivables	5.23	2,880.07	3,192.26
Cash and bank balance	6.11	1,856.84	243.93
Others financial and non-financial assets	151.67	1,155.61	947.90
Non Current Liabilities	(612.40)	(5,008.93)	(435.49)
Trade payable and other current liabilities	(362.32)	(1,404.02)	(1,021.56)
Provisions	-	(197.32)	(894.49)
Identifiable net assets acquired at fair value	(86.08)	7,846.38	2,533.99
Non-controlling interest in the acquired entity	(25.82)	-	-
Identified intangible asset (software)	-	18,056.37	-
Fair value of consideration paid	20.00	30,196.96	3,597.00
Goodwill	80.25	4,294.21	1,063.01

Notes:

(a) The consideration payable in respect of above transaction has been fully discharged in cash for Scandron Private Limited during the year.

(b) The consideration payable in respect of above transactions has been partially discharged in cash for Ivis International Private Limited and Provigil Surveillance Private Limited during the year and the remaining amount will be discharged in the next year. Same is disclosed as current liability in the consolidated financial statements.

Impact of acquisitions on the results of the Group

Revenue and profit for the year included in the current year due to the acquisition is as below.

Particulars	Scandron Private Limited	Ivis International Private Limited	Provigil Surveillance Private Limited
Revenue	-	7,173	4,329
Profit / (Loss) Before Tax	-39.30	-893	3,820
Revenue and profit would had been higher by the below amount if the acquisition happened at the beginning of the year			
Revenue	-	8,052.09	11,510.94
Profit / (Loss) Before Tax	-39.30	-962.99	4,428.20

Notes:

(a) The loss in Ivis International Private Limited at group level is after inter company elimination since substantial revenue is earned from Provigil Surveillance Limited

28 Additional information required

- Details of Benami property:** No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- Willful defaulter:** The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- Compliance with approved scheme of arrangements:** The Company has entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

(viii) Ratios	As at 31 March 2023	As at 31 March 2022	Variance	% change
Current ratio (in times) (refer (a) below) Total current assets/Total current liabilities	1.16	2.40	-1.24	-51.61%
Debt-Equity ratio (in times) (Debt consists of borrowings and lease liabilities)/(Total Equity)	0.73	1.18	-0.45	-38.45%
Return on equity ratio (in %) (Profit for the year less Preference dividend (if any))/(Average total equity)	22%	28%	-0.06	-22.13%
Trade receivables turnover ratio (in times) (Revenue from operations)/(Average trade receivables)	4.81	3.94	0.88	22.22%
Net capital turnover ratio (in times) (Revenue from operations)/(Average Working Capital)	5.89	2.73	3.16	115.95%
Net profit ratio (in %) (Profit for the year)/(Revenue from operations)	17%	12%	0.06	48.69%
Return on capital employed (in %) (Profit before tax and finance costs)/(Capital employed = Net worth + Lease liabilities +	19%	18%	0.01	5.60%
Operating Profit Margin (in %) (Operating Profit)/(Revenue from operations)	54%	28%	25%	90.02%
Interest Coverage Ratio (in times) (EBIT)/(Finance Cost)	8.75	20.43	-11.68	-57.18%
Debt Service Coverage Ratio (in times) (Earning for Debt Service = EBIT + Depreciation)/(Debt service = Interest and lease payments + Principal repayments)	0.53	1.88	-1.35	-71.94%

Notes :

(a) Reasons for movement in ratios greater than 25%

- (i) Current Ratio : Decrease is due to increase in current liability as short term borrowings are increased during the year.
- (ii) Debt Equity Ratio : Decrease on account of increase in total equity at a higher rate than debt.
- (iii) Net Capital Turnover Ratio : Increase is due to higher operation performance during the year.
- (iv) Net Profit Ratio (%) : Increase is due to higher operation performance during the year.
- (v) Operating Profit Margin (%) : Increase is due to higher operation performance during the year.
- (vi) Interest Coverage Ratio : Interest Coverage Ratio is 8.75 in the current year as against 20.43 in the previous year primarily due to excessive use of debt compared to last year.
- (vii) Debt Service Coverage Ratio : The debt service coverage ratio is lower due to increased borrowings during the year and scheduled repayment of the borrowed funds.

29 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Category	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments by category				
Financial assets measured at fair value through profit or loss				
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	3,940.10	3,940.10	1,218.75	1,218.75
Trade receivables (current and non current)	6,804.99	6,804.99	4,148.15	4,148.15
Cash and cash equivalents	5,042.32	5,042.32	5,580.31	5,580.31
Other bank balances (current and non current)	358.62	358.62	298.52	298.52
Total	16,146.04	16,146.04	11,245.73	11,245.73
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	18,703.47	18,703.47	8,473.60	8,473.60
Lease liabilities (current and non current)	2,869.55	2,869.55	632.30	632.30
Other financial liabilities (current and non current)	9,744.84	9,744.84	1,158.70	1,158.70
Trade payables (current and non current)	4,125.17	4,125.17	914.26	914.26
Total	35,443.03	35,443.03	11,178.86	11,178.86

Management of the Group has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ix) Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

- Recognized and measured at Fair value
- Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value	Fair Value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	3,940.10	-	3,940.10	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	18,703.47	-	18,703.47	-
Lease liabilities (current and non current)	2,869.55	-	2,869.55	-
Other financial liabilities (current and non current)	9,744.84	-	9,744.84	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022

Particulars	Carrying value	Fair Value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,218.75	-	-	-
	11,245.73	-	-	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	8,473.60	-	8,473.60	-
Lease liabilities (current and non current)	632.30	-	632.30	-
Other financial liabilities (current and non current)	1,158.70	-	1,158.70	-

30 Financial risk management objectives and policies

In the course of its business, the Group is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Group's risk management policy which has been approved by its Board of Directors.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans deposits, and investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity obligations and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's major customers are located in international market due to which the Group is also exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the movement in foreign currency exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies approved by its Board of Directors.

At the Consolidated level the Group immaterial foreign currency exposure and therefore foreign currency sensitivity risk is not disclosed

(ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. All the existing borrowings of the Group carry fixed rate of interest and in functional currency. At 31 March 2023, the Group has following fixed rate borrowings:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Fixed rate borrowings	18,703.47	8,473.60

(b) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2023	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	4,082.43	14,621.04	-	18,703.47
Lease liabilities (undiscounted)	410.85	2,458.70	-	2,869.55
Trade payable	4,125.17	-	-	4,125.17
Other financial liabilities	9,744.84	-	-	9,744.84
	-	-	-	-
As at March 31, 2022				
Borrowings	2,186.44	6,287.16	-	8,473.60
Lease liabilities (undiscounted)	197.96	434.34	-	632.30
Trade payable	914.26	-	-	914.26
Other financial liabilities	1,158.70	-	-	1,158.70

(c) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) **Trade Receivables**

The customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

Customer credit risk is managed by respective department head subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Group does not hold collateral as security. There is one single customer from whom the Group earns revenue of more than 10%, however, there is no credit default risk from this customer since the amount are generally received in advance. Refer note 6(B) for movement in credit loss allowance during the year.

(ii) **Financial instruments and deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Group's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

	As at March 31, 2023	As at March 31, 2022
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Other financial assets (current and non-current)	3,940.10	1,218.75
Cash and cash equivalents	5,042.32	5,580.31
Other bank balances (current and non current)	358.62	298.52
	9,341.05	7,097.58
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	6,804.99	4,148.15
	6,804.99	4,148.15

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-

Provision during the year	59.76	-
As at the end of year	59.76	-

31 **Capital management**

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the parent Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	March 31, 2023	March 31, 2022
Loan and borrowing *	18,703.47	8,473.60
Less : Cash and cash equivalent	(5,042.32)	(5,580.31)
Net debts	13,661.15	2,893.29
Equity / Net Worth	29,685.56	7,718.65
Total Capital	29,685.56	7,718.65
Capital and Net debts	43,346.71	10,611.94
Gearing Ratio (Net Debt/Capital and Net Debt)	31.52%	27.26%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

* Borrowings does not includes Lease liabilities

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs unless otherwise stated)

32. Related Party Disclosures

The related parties as per identified by management.

(A) Names of related parties and description of relationship:

(i) Key management personnel (KMP)

Name	Relationship
Joseph Sudheer Reddy Thumma	Director
Jagan Mohan Reddy Thumma	Director
Sanjay Mahendra Chauhan	Chief Financial Officer

(ii) Relatives of key management personnel

Name	Relationship
Jayshree Chauhan	Relative of KMP
Mamta Chauhan	Relative of KMP
Varsha Chauhan	Relative of KMP

(iii) Other entities over which key management personnel and their relatives are able to exercise significant influence

Entity Name	Relationship
JNITH Corporation (RPR Wyatt)	Entities over which key KMP is able to exercise significant influence
JNIT Technologies India Pvt. Ltd.	Entities over which key KMP is able to exercise significant influence
Syngtech Systems Inc	Entities over which key KMP is able to exercise significant influence
Hoozin Inc	Entities over which key KMP is able to exercise significant influence
Aitech Corp	Entities over which key KMP is able to exercise significant influence

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Services rendered		
RPR Wyatt (JNITH Corporation)		29.93
Syngtech Inc. (Jonam Systems Inc.)	-	111.66
Hoozin Inc	-	14.90
	-	156.49
Purchase Consideration		
Jagan Mohan Reddy Thumma	17.14	-
	17.14	-
Unsecured loan received		
Jagan Mohan Reddy Thumma	612.40	-
	612.40	-
Rental Deposit Paid		
Joseph Sudheer Reddy Thumma	80.00	280.00
	80.00	280.00
Rent & reimbursement expenses		
Joseph Sudheer Reddy Thumma	897.60	405.90
Sanjay Mahendra Chauhan	9.21	4.95
Jayshree Chauhan	11.05	4.95
	917.85	415.80
Consultancy Charges		
Syngtech Inc. (Jonam Systems Inc.)	-	289.87
JNIT Technologies India Pvt. Limited	120.58	145.52
	120.58	435.39
Remuneration Paid		
Joseph Sudheer Reddy Thumma	0.28	119.22
Jagan Mohan Reddy Thumma	4.80	4.80
Sanjay Mahendra Chauhan (Chief Financial Officer- KMP)	24.00	24.00
Jayshree Chauhan (Relative of KMP)	12.00	12.00
Mamta Chauhan (Relative of KMP)	5.00	15.00
Varsha Chauhan (Relative of KMP)	-	12.00
	46.08	187.02

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(All amounts in Indian ₹ lakhs unless otherwise stated)

(C) Balances with related parties**(i) Balances Outstanding as at March 31, 2023**

Particulars	March 31, 2023	March 31, 2022
Payables		
Sygnatech Inc. (Jonam Systems Inc.)	95.63	116.53
JNIT Technologies India Pvt. Limited	-	14.49
Joseph Sudheer Reddy Thumma	-	16.21
	95.63	147.23
Receivables		
Aitech Corp	191.15	-
Hoozin Inc	65.81	78.02
JNITH Corporation (RPR Wyatt)	21.72	5.32
	278.68	83.34
Unsecured Loans		
Jagan Mohan Reddy Thumma (Relative of Director)	612.40	-
	612.40	-

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ lakhs, unless otherwise stated)

33 Group information

The consolidated financial statements of the group includes following subsidiaries-
Details of subsidiary companies are as follows:

Name of Company	Country of Incorporation	Ownership interest held by Group		Non Controlling Interest	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Subsidiaries					
JNIT Inc	USA	100.00%	100.00%	-	-
Motivity Inc, - Subsidiary of JNIT Inc	USA	100.00%	100.00%	-	-
Motivity Labs India Private Limited	India	100.00%	100.00%	-	-
Ivis International Private Limited ⁵	India	100.00%	-	-	-
Provigil Surveillance Private Limited ⁶	India	100.00%	-	-	-
Scan Dron Private Limited ⁷	India	70.00%	-	30.00%	-
Serial Enterprise Private Limited ⁸	India	100.00%	-	-	-

⁵ date of acquisition - 01 May 2022

⁶ @ date of acquisition - 09 November 2022

⁷ # date of acquisition - 16 March 2023

⁸ * date of acquisition - 01 October 2022. The Holding Company transferred its FMCG division on 01 October 2022 to its wholly owned subsidiary Serial Enterprise Private Limited. This transaction is accounted for as per Appendix C - Business combinations of entities under common control of Ind AS 103 - Business Combination.

Magellanic Cloud Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian ₹ lakhs unless otherwise stated)

34. Statutory group information

For the year ended March 31, 2023

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of net assets	Amount	As % of profit or loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company								
Magellanic Cloud Limited	59.95%	17,808.83	14.33%	1,061.80	0.36%	7.14	11.35%	1,068.94
Subsidiary companies								
Indian subsidiary companies								
Ivis International Private Limited	36.77%	10,923.31	27.55%	2,041.34	66.04%	1,324.98	35.75%	3,366.32
Provigil Surveillance Private Limited	9.90%	2,941.47	5.49%	407.11	0.00%	-	4.32%	407.11
Scan Dron Private Limited	-1.27%	(378.05)	-0.53%	(39.30)	0.00%	-	-0.42%	(39.30)
Serial Enterprise Private Limited	0.44%	129.37	3.27%	242.37	0.00%	-	2.57%	242.37
Foreign subsidiary companies								
JNIT Inc (Consolidated)	32.70%	9,714.13	53.87%	3,992.14	33.58%	673.71	49.55%	4,665.85
Non-controlling interest in subsidiary								
Serial Enterprise Private Limited	0.07%	22.09	-0.16%	(11.79)	0.00%	-	-0.13%	(11.79)
Consolidated adjustments and Intercompany eliminations	-38.55%	(11,453.49)	-3.82%	(283.37)	0.02%	0.36	-3.01%	(283.01)
TOTAL	100.00%	29,707.65	100.00%	7,410.30	100.00%	2,006.19	100.00%	9,416.49

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(All amounts in Indian ₹ lakhs unless otherwise stated)

Magellanic Cloud Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(All amounts in Indian ₹ lakhs unless otherwise stated)

35 Segment Reporting

The reportable segments of the Group are IT Consulting Services and FMCG product division. The segments are organised and managed separately according to the organisation structure that is designed based on the nature of products and services and profile of customers. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Description of the each of the reportable segments is as under:

Particulars	As on 31 March 2023	As on 31 March 2022
Segment Value of Sales and Services (Revenue)		
- IT Consulting Services	41,564.06	22,707.30
- FMCG product Division	1,182.82	2,560.45
Gross Value of Sales and Services	42,746.88	25,267.75
Less: Inter Segment Transfers	-	-
Revenue from Operations	42,746.88	25,267.75
Segment Results before interest and tax		
- IT Consulting Services	10,564.79	404.48
- FMCG product Division	12.12	35.14
Total	10,576.91	439.62
Less:	-	-
Finance Costs	1,198.86	168.87
Other Un-allocable Income (Net of Expenditure)	-	-3,009.68
Total Profit Before Tax	9,378.05	3,280.43
Current tax	1,912.83	137.96
Earlier year tax	0.69	-44.97
Deferred tax	54.25	241.59
Total profit after tax	7,410.28	2,945.85
Segment Assets		
- IT Consulting Services	71,023.91	17,853.86
- FMCG product Division	468.00	485.64
Total	71,491.91	18,339.50
Unallocated Corporate Assets	1,027.13	1,195.45
Total Assets	72,519.04	19,534.95
Segment Liabilities		
- IT Consulting Services	39,613.89	10,886.62
- FMCG product Division	338.63	310.21
Total	39,952.52	11,196.83
Unallocated Corporate Liabilities	2,858.87	619.48
Total Liabilities	42,811.39	11,816.31

36 The comparative previous year figures are reclassified or regrouped, wherever required. Current year figures are strictly not comparable with those of previous years in view of four acquisitions made during the year as mentioned in note no. 33

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For Bhuta Shah & Co. LLP

Chartered Accountants

Firm Registration No: 101474W/W100100

Atul Gala

Partner

Membership No. 048650

For and on behalf of the Board of Directors of

Magellanic Cloud Limited

CIN: L72100TG1981PLC169991

Jagan Mohan Reddy Thumma

Director

DIN No. 06554945

Sanjay Chauhan

Chief Financial Officer

PAN : AFLPC7749G

Nikitha Tiparnapally

Independent Director

DIN No. 07399613

Sameer Rajkumar Lalwani

Company Secretary

PAN : AIDPLA094N

Place : Mumbai

Date : 30 May 2023

Place : Hyderabad

Date : 30 May 2023

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