



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,

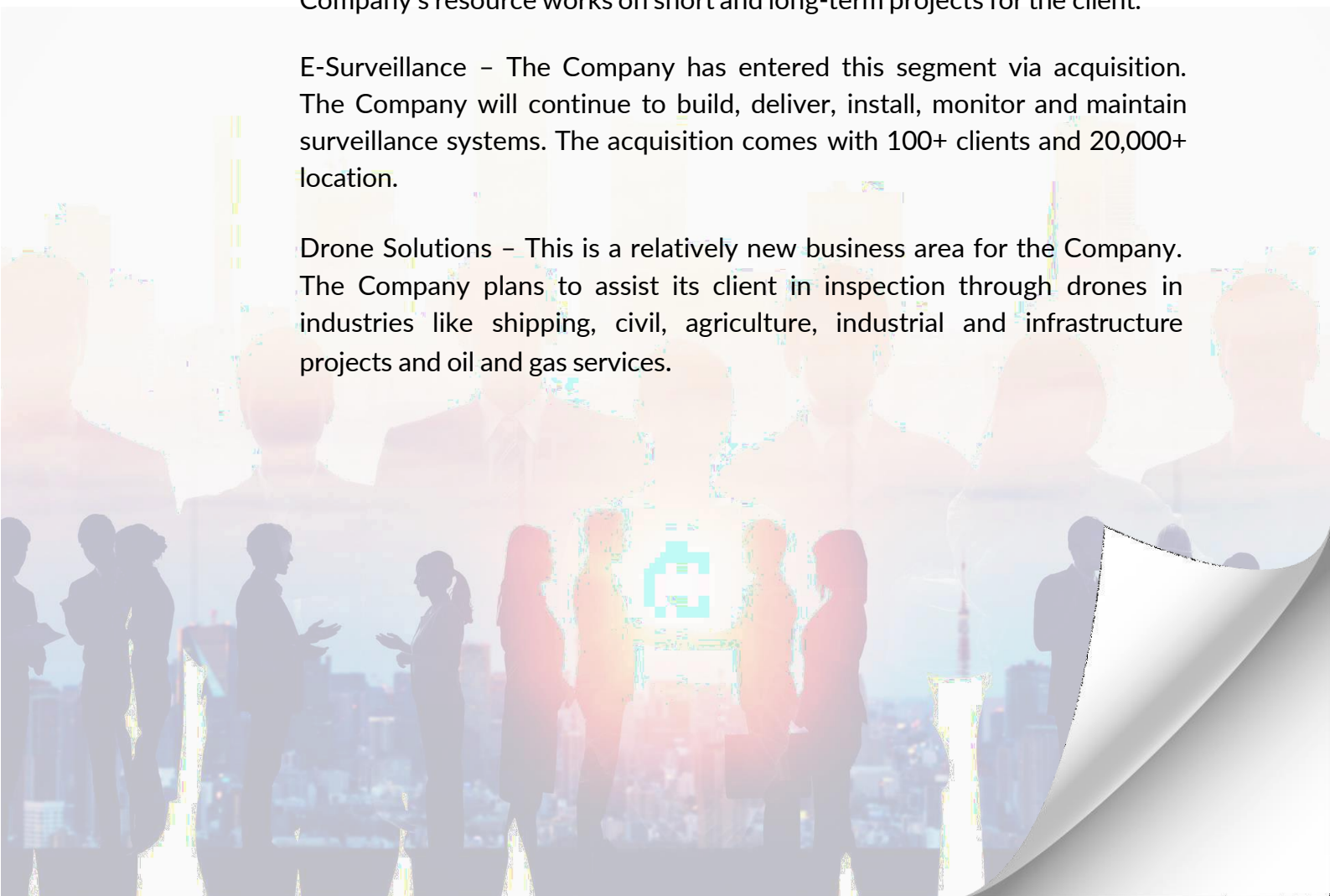
Magellanic Cloud Limited ("MCLLOUD") engages in software development, digital transformation, DevOps space, and human capital businesses. The company also provides AI/ML driven IT consulting services. Mcloud offers world class digital transformation solutions to global businesses. It has invested in 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.





MCLOUD, 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 MCLOUD to provide E-Surveillance services to 1,848 branches of the Bank spread across India for a total period of 5 years. MCLOUD 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 MCLOUD uses AI based technology to monitor, detect, and prevent potential theft. Further, this order-win is a testimony of MCLOUD's strong presence in the E-surveillance segment and showcases the trust placed by clients in MCLOUD's team and provision of quality of services.

MCLOUD, 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 MCLOUD to provide E- Surveillance services to 3,032 ATM sites of a well-known Public Sector bank. MCLOUD 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 MCLOUD's dominant presence in the E- surveillance segment and showcases the trust placed by clients in MCLOUD'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.

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.

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.

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.

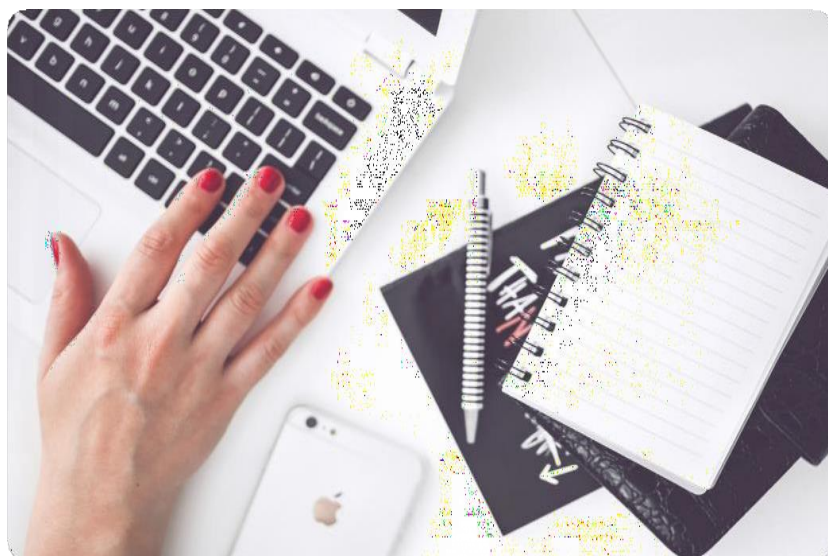
8. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.

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.



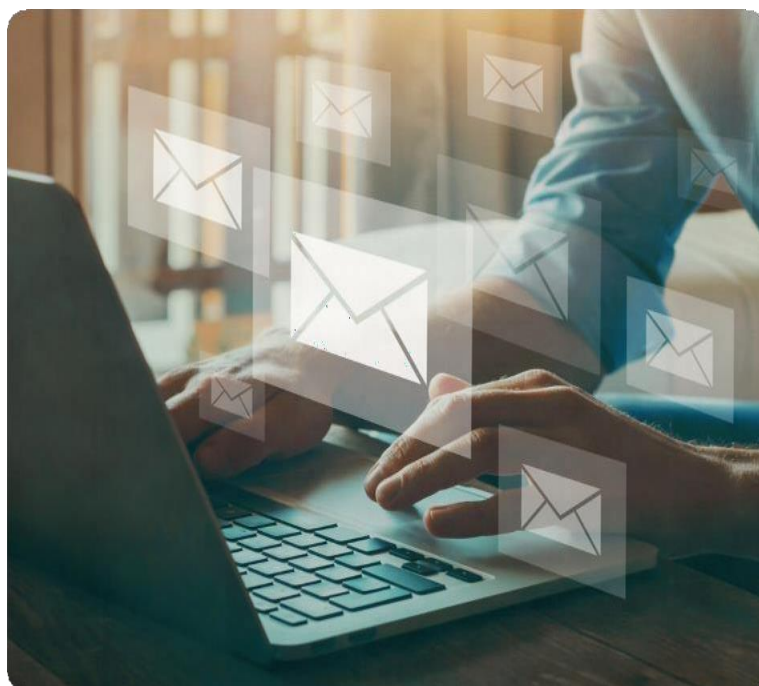
12. Updation of Members' Details: Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository 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.