

# MAGELLANIC CLOUD LIMITED

(Formerly known as South India Projects Limited)

**CIN L72100WB1981PLC034342**

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

Date: October 19<sup>th</sup>, 2018

To,

Bombay Stock Exchange Limited,

Department of Corporate Services,

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai-40001

Sub: Submission of Annual Report for the year ended 31<sup>st</sup> March, 2018, in terms of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Code: 538891

Scrip ID : SIPROJECTS

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the year ended March 31, 2018.

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

Thanking You,

Yours Faithfully,

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

  
Jagan Mohan Reddy Thumma  
Managing Director  
DIN: 06554945



# **South India Projects Ltd.**

37<sup>th</sup>  
ANNUAL REPORT  
2017-18

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

Jagan Mohan Reddy Thumma,	Managing Director
Joseph Sudheer Reddy Thumma,	Non-Executive, Non-Independent Director
Miss. Nikitha Tiparnapally	Independent Director
Surya Narayan Tripathy	Independent Director

**Chief Financial Officer:**

Sanjay Mahendra Chauhan

**Statutory Auditors:**

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

**Bankers:**

ICICI Bank, Mumbai &amp; Hyderabad Branch

**Registered Office:**

5&6, Fancy Lane Kolkata - Wb 700001, India.  
Tel:-040 - 43366058  
E-Mail:- southindiaprojectslimited@gmail.com  
Website: www.southindiaprojectslimited.in

**Registrar and Share  
Transfer Agent:**

M/s. Niche Technologies Pvt. Ltd  
D-511, Bagree Market 71, B. R. B. Basu Road ,  
Kolkata, West Bengal, 700001, India.  
Tel: 033 - 22357270 / 7271 / 22343576  
Fax: - 033 - 22156823  
E-mail:- nichetechpl@nichetechpl.com

**NOTICE**

**NOTICE** is hereby given that the 37<sup>th</sup> **Annual General Meeting** of the Members of **South India Projects Ltd** will be held Saturday, September 29, 2018 at 03:30 pm (IST) at 5 & 6, Fancy Lane, Kolkata - 700001, West Bengal, India, to transact the following Business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Jagan Mohan Reddy Thumma [*DIN: 06554945*], who retires by rotation, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W), as statutory auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), pursuant to the recommendations of the audit committee and pursuant to the resolution passed by the members at the 36<sup>th</sup> Annual General Meeting held on September 29, 2017, the appointment of M/s. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W) as the statutory auditors of the Company to hold office till the conclusion of the 41<sup>st</sup> consecutive AGM to be held in the financial year 2021-22, is hereby ratified for the financial year 2018-19.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to fix such remuneration payable to them for the financial year 2018-19, as may be determined by the audit committee in consultation with the auditors and that such remuneration may be paid as may be agreed upon between the auditors and the Board of Directors.”

**SPECIAL BUSINESS:**

4. To approve the issue of Bonus Shares.

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

**“RESOLVED THAT** pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder, Articles 116 & 117 of the Articles of Association of the Company, provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, *including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s)* thereof for the time being in force, to the extent notified and in effect and subject to such approvals, consents, sanctions, permissions and provisions of other applicable laws, regulations, rules, directions, guidelines including those issued by Reserve Bank of India and such other regulatory authority(ies) concerned, from time to time, to the extent applicable and on such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested while granting such approvals, and subject to the approval of the members for the resolution as set out at item no. 4 of the Notice, the consent and approval of the members of the company be and is hereby accorded for a sum not exceeding Rs. 20,13,35,520 (Rupees Twenty Crores Thirteen Lakhs Thirty Five Thousand Five Hundred and Twenty only) out of the Securities Premium Account of the Company, for the Financial year ended March 31, 2018, be capitalized and accordingly the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers,

conferred by this Resolution) be and is hereby authorized to appropriate the said sum for distribution to and amongst the members of the Company, whose names appear in the Register of Members maintained by the Company and the List of Beneficial Owners as received from the National Securities Depository Limited and Central Depository Services (India) Limited on such date ("Record Date") as may be fixed in this regard by the Board/Committee in accordance with law and to apply the said sum in paying up in full a maximum of 2,01,33,552 (Two Crores One Lakh Thirty Three Thousand Five Hundred and Fifty Two only) Equity Shares ("the Bonus Shares") of the Company of Rs. 10/- each (Rupees Ten only) at par, to be allotted, distributed and credited as fully paid-up to and amongst the members in the ***proportion of 4:1, Four (4) bonus shares for every One (1) existing fully paid up equity shares*** held by them respectively as on the Record Date and that the Bonus Shares so distributed, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company by each members, and not as an income."

**RESOLVED FURTHER THAT** the issue and allotment of the said bonus shares to the extent that they relate to Non-Resident Indians (NRIs), Persons of Indian Origin / Overseas Corporate Bodies and other foreign investors of the company, will be subject to the approval of the Reserve Bank of India and any other regulatory authority, as the case may be.

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with the existing fully paid up Equity Shares of the Company.

**RESOLVED FURTHER THAT** no letter of allotment shall be issued but in the case of members who hold shares in dematerialized mode, the Bonus Shares shall be credited to the beneficiary accounts of the members maintained with Depository Participants and in case of members who hold shares in physical mode, the share certificate(s) in respect of the Bonus Shares shall be dispatched within the prescribed time limit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the Bonus Shares on the Stock Exchanges where the Equity Shares of the Company are listed, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Rules and Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question or difficulty that may arise in relation thereto, decide the exact number of Bonus Shares to be issued based on the Paid up capital of the Company as obtaining on the Record Date and to delegate all such powers granted hereunder to a Committee of Directors and / or any other officer(s) of the Company, as may deem fit or desirable and their decision shall be final and binding.

**By Order of the Board of Directors**

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

**Registered Office:**

5 & 6, Fancy Lane, Kolkata - 700001,  
West Bengal, India.

**Dated: August 25, 2018**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

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

2. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 15<sup>th</sup> September, 2018 to Tuesday, 18<sup>th</sup> September, 2018** (both days inclusive).
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
6. For convenience of members, an attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
8. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 for items of Special Businesses is annexed herewith.
9. The Annual Report 2017-18, the Notice of the 37<sup>th</sup> Annual General Meeting and instructions for e-voting, along with the Attendance slip and Proxy form are being sent by electronic mode to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.
10. Members may also note that the Notice of the 37<sup>th</sup> Annual General Meeting and the Annual Report 2017-18 will also made be available on the Company's website [www.southindiaprojectslimited.in](http://www.southindiaprojectslimited.in) for their download. The physical copies of the documents will also be available at the Company's Registered Office in Registered office / Corporate office for inspection during normal business hours on any working day. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for it, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: [southindiaprojectslimited@gmail.com](mailto:southindiaprojectslimited@gmail.com).

11. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, BOARD'S REPORT & AUDITOR'S REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members at the AGM.
13. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
15. Members are requested to bring their copies of the reports to Annual General Meeting.
16. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Registrar & Share Transfer Agent.
17. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off date i.e. Saturday, September 22, 2018.
18. Members are requested to promptly notify any changes in their addresses to the Registrar & Share Transfer Agent.
19. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Amendment Rules, 2015 as presently in force and the business set out in the Notice will be transacted through such voting.
20. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
21. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

**NICHE TECHNOLOGIES PRIVATE LIMITED**

**Unit: South India Project Ltd.**

Share Transfer Agent

D-511, Bagree Market, 5<sup>th</sup> Floor, 71,

B. R. B. Basu Road, Kolkata, West Bengal: 700001

Ph. 033 - 22357270; Fax: 033 - 22156823

**Instructions for Voting through electronics means:**

In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015, provisions of Section 108 and other applicable provisions of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 36<sup>th</sup> Annual General Meeting (AGM) by electronic means (“e-Voting”) and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

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

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

The Remote E-voting facility will commence from 9.00 AM (IST) on Wednesday, September 26, 2018 and will end at 5.00 PM (IST) on Friday, September 28, 2018. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by CDSL upon expiry of aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the **cut-off date i.e. Saturday, September 22, 2018.**

The Members whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. Saturday, September 22, 2018, only shall be entitled to vote on the Resolutions set out in this Notice.

The voting rights of the members shall be in proportion to their of paid-up equity share capital of the Company as on relevant date **Saturday, September 22, 2018.**

The Board of Directors at their meeting held on August 25, 2018 has appointed Mr. Deep Shukla, Practicing Company Secretary (*Membership No. FCS 5652*) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper, if any, at the AGM in a fair and transparent manner.

The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than 3 (*three*) days from the conclusion of the AGM make a consolidated Scrutinizer’s report and submit the same to the Chairman of the meeting.

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

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. Saturday, September 29, 2018.

The instructions for e-voting are as under:

- i. The voting period begins on from from 9.00 AM (IST) on **Wednesday, September 26, 2018** and will end at 5.00 PM (IST) on **Friday, September 28, 2018**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Saturday, September 22, 2018**, may cast their vote electronically.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii. Click on “Shareholders” tab.



- iv. Now, select the “**South India Project Ltd**” from the drop down menu and click on “SUBMIT”
- v. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

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

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other

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

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant SOUTH INDIA PROJECT LTD on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Institutional Shareholders & Custodians:
  - ♦ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - ♦ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - ♦ After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - ♦ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ♦ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**EXPLANATORY STATEMENT PRUSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item Nos. 4:**

The Company's shares were listed on BSE Limited. Over the years, the Company has performed significantly both in terms of revenue and profit and has been rewarding its shareholders consistently. The Directors have created free reserves to a considerable extent out of its distributable profits and the balance in reserves and surplus as on March 31, 2018 is Rs. 29,39,55,704 (Rupees Twenty Nine Crores Thirty Nine Lakhs Fifty Five Thousand Seven Hundred and Four only). Presently, the Authorized Share Capital of your Company is Rs. 30,00,00,000/- (Rupees Forty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Re. 10/- (Rupees Ten only) each.

With a view to share a part of the Company's free reserves, its Board of Directors has recommended issue of bonus shares in the ratio of 4:1, i.e. Four (4) Bonus shares for every One (1) shares held by the shareholders, subject to their approval. The issue of bonus shares, by way of capitalizing reserves, is authorized by the Company's Articles of Association. The paid-up capital as on March 31, 2018 is Rs. 5,03,33,880 (Rupees Five Crores Three Lakhs Thirty Three Thousand Eight Hundred and Eighty only). An amount of Rs. 20,13,35,520 (Rupees Twenty Crores Thirteen Lakhs Thirty Five Thousand Five Hundred and Twenty only) from the free reserves is required to be capitalized for the issue of bonus shares in the ratio of 4:1. After the bonus issue, the paid-up share capital would increase to Rs. 25,16,69,400 (Rupees Twenty Five Crores Sixteen Lakhs Sixty Nine Thousand and Four Hundred only). The proposal for capitalization of the said reserves and issue of bonus shares is now placed for consideration and approval of the members. The Record Date for determining the eligibility of the shareholders to receive the said bonus shares will be fixed by the Board. The Board of Directors recommend for approval of members the capitalization of reserves and issue of bonus shares as proposed.

The Board recommends passing of the resolution as set out in Item No. 04 this notice as an Special Resolution.

**By Order of the Board of Directors**

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

**Registered Office:**

5 & 6, Fancy Lane, Kolkata - 700001,  
West Bengal, India.

***Dated: August 25, 2018***

**BOARD'S REPORT**

To,  
The Members,  
**SOUTH INDIA PROJECTS LTD**  
**CIN: L72100WB1981PLC034342**  
**KOLKATA**

Your Directors have pleasure in presenting their 37<sup>th</sup> Annual Report on the Audited Financial Statement of South India Projects Ltd ("*the Company*") for the Financial Year ended March 31, 2018.

**FINANCIAL RESULTS**

The summarized financial performance of the Company for the FY 2017-18 and FY 2016-17 is given below:

[Amount in Rs.]

Particulars	Standalone		Consolidated	
	2016-17	2017-18	2016-17	2017-18
Revenue from operations	4,00,28,924	6,17,20,699	196,683,855	161,12,69,865
Other Income	-	-	-	-
<b>Total Revenue</b>	<b>4,00,28,924</b>	<b>6,17,20,699</b>	<b>196,683,855</b>	<b>161,12,69,865</b>
Total Expenses	3,32,50,073	4,70,19,903	182,557,015	154,18,68,716
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>	<b>67,78,851</b>	<b>1,47,00,795</b>	<b>1,41,26,840</b>	<b>6,94,01,149</b>
Exceptional Items	-	-	-	-
Extraordinary Items	-	-	-	-
<b>Net Profit Before Tax</b>	<b>67,78,851</b>	<b>1,47,00,795</b>	<b>1,41,26,840</b>	<b>6,94,01,149</b>
Provision for Tax				
- Current Tax	21,00,000	38,00,000	52,47,307	2,52,10,718
- Deferred Tax (Liability)/Assets	54,102	1,05,845	54,102	1,05,845
- Excess/(short) provision for earlier years	1,20,039	(72,602)	120,039	(72,602)
<b>Net Profit After Tax</b>	<b>45,04,710</b>	<b>1,08,67,552</b>	<b>87,05,391</b>	<b>4,41,57,188</b>
Profit/(Loss) from Discontinued operations	-	-	-	-
Tax Expense of Discontinued operations	-	-	-	-
Profit/(Loss) from Discontinued operations (after tax)	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>45,04,710</b>	<b>1,08,67,552</b>	<b>87,05,391</b>	<b>4,41,57,188</b>
Other Comprehensive Income				
- Items that will not be reclassified to profit or loss	-	-	-	-
- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-

- Items that will be reclassified to profit or loss	-	-	24,357	1,53,105
- Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
<b>Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>45,04,710</b>	<b>1,08,67,552</b>	<b>87,29,748</b>	<b>4,43,10,293</b>
Earnings per equity share ( <i>for continuing operation</i> ):				
- Basic (In ₹)	1.14	2.16	2.69	8.77
- Diluted (In ₹)	1.14	2.16	2.69	8.77

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

During the year under review, the Standalone total Income was **Rs. 6,17,20,699** as against **Rs. 4,00,28,924** for the corresponding previous year.

Total Comprehensive income for the period was **Rs. 40.29** lacs as against **Rs. 45,04,710** in the corresponding previous year

**Consolidated:**

During the year under review, the consolidated total Income was **Rs. 4,41,57,188** as against **Rs. 87,05,391** for the corresponding previous year.

Total Comprehensive consolidated income for the period was **Rs. 4,43,10,293** as against Net **Rs. 87,29,748** in the corresponding previous year

**TRANSFER TO STATUTORY RESERVES**

During the financial year under review, your Company transferred of INR 21,73,510.00 (Indian Rupees Twenty One Lakh Seventy Three Thousand Five hundred Ten only) to Special reserve as provided in Section 45IC of the Reserve Bank of India Act, 1934, for the financial year ended March 31, 2018.

**DIVIDEND**

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

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

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

**CHANGE IN NATURE OF BUSINESS**

In order to diversify the business of the company the new object clause was inserted in Main object clause of the Company, to commence the Human resource related businesses along with existing business activities.

**SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on 31st March, 2018 is INR 503,33,880.00 (Indian Rupees Five Crore Three Lakh Thirty Three Thousand Eight Hundred Eighty only) divided into 50,33,388

(Fifty Lakhs Thirty Three Thousand Three Hundred Eighty Eight) Equity Shares of INR.10.00 (Indian Rupees Ten) Each. During the year under review, the Company has not issued any securities.

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

At the 36<sup>th</sup> Annual General Meeting held on September 29, 2017, Mr. Joseph Sudheer Reddy Thumma (DIN: 07033919) was re-appointed as the Director of the Company and his officer shall liable to 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), Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 37<sup>th</sup> Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

### **DECLARATION BY INDEPENDENT DIRECTORS**

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

### **BOARD EVALUATION**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

### **BOARD MEETINGS**

Dates for Board Meetings are well decided in advance and communicated to the Board and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. The information as required under Regulation 17(7) read with Schedule II Part A of the LODR is made available to the Board. The agenda and explanatory notes are sent to the Board in advance. The

Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda and also on the occasion of the Annual General Meeting ('AGM') of the Shareholders. Additional meetings are held, when necessary.

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.

05 (Five) Board Meetings were held during the year ended 31st March, 2018, the dates which are 30<sup>th</sup> May 2017, 7th August 2017, 16<sup>th</sup> August 2017, 15th November 2017 and 14th February 2018. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

Attendance details of Directors for the year ended March 31, 2018 are given below:

Name of the Directors	Category	No. of Board Meetings attended
Mr. Jagan Mohan Reddy Thumma	Managing Director	05
Joseph Sudheer Reddy Thumma	Non-Executive, Non-Independent Director	01
Miss. Nikitha Tiparnapally	Independent Director	05
Surya Narayan Tripathy	Independent Director	05

#### **AUDIT COMMITTEE**

Your Company has formed an Audit Committee as per the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management.

05 (Five) Committee Meetings were held during the year ended 31st March, 2018, the dates which are 30<sup>th</sup> May 2017, 7th August 2017, 16<sup>th</sup> August 2017, 15th November 2017 and 14th February 2018.

Further, during the financial year under review, there was no requirement for re-constitution of the said Committee. Details of the composition of the Committee and attendance during the year are as under:

S. N.	Name of Directors	Designation	No. of Meetings Attended
1.	Mr. Jagan Mohan Reddy Thumma	Member, Managing Director	05
2.	Mrs. Tiparnapally Nikitha	Member, Independent Director	05
3.	Mr. Surya Narayan Tripathy	Chairman, Independent Director	05

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.

#### **NOMINATION & REMUNERATION COMMITTEE**

The Nomination and Remuneration committee of the Company shall perform such role and duties as mentioned in Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

05 (Five) Committee Meetings were held during the year ended 31st March, 2018, the dates which are 30<sup>th</sup> May 2017, 7th August 2017, 16<sup>th</sup> August 2017, 15th November 2017 and 14th February 2018.

Further, during the financial year under review, there was no requirement for re-constitution of the said Committee. Details of the composition of the Committee and attendance during the year are as under:

S. N.	Name of Directors	Designation	No. of Meetings Attended
1.	Joseph Sudheer Reddy Thumma	Member, Non-Executive, Non-Independent Director	01
2.	Mrs. Tiparnapally Nikitha	Member, Independent Director	05
3.	Mr. Surya Narayan Tripathy	Chairman, Independent Director	05

#### **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.southindiaprojectslimited.in](http://www.southindiaprojectslimited.in).

#### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

05 (Five) Committee Meetings were held during the year ended 31st March, 2018, the dates which are 30<sup>th</sup> May 2017, 7th August 2017, 16<sup>th</sup> August 2017, 15th November 2017 and 14th February 2018.

Further, during the financial year under review, there was no requirement for re-constitution of the said Committee. Details of the composition of the Committee and attendance during the year are as under:

S. N.	Name of Directors	Designation	No. of Meetings Attended
1.	Mr. Jagan Mohan Reddy Thumma	Member, Managing Director	05
2.	Mrs. Tiparnapally Nikitha	Member, Independent Director	05
3.	Mr. Surya Narayan Tripathy	Chairman, Independent Director	05

The terms of reference were enlarged by the Board to be 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.

The total numbers of complaints received during the year was Nil and there was no pending complaint as on March 31, 2018.



**PARTICULARS OF EMPLOYEES**

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

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

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

**EXTRACT OF ANNUAL RETURN:**

The Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is hosted on the website of the Company at [www.southindiaprojectslimited.in](http://www.southindiaprojectslimited.in)

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**STATUTORY AUDITORS' AND AUDITORS' REPORT**

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

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

Hence, the Notice convening the ensuing 37th AGM contained a resolution on ratification of appointment of Statutory Auditors. Further, M/s. D. Kothary & Co., Chartered Accountants, (Firm Regd. No. 105335W), has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and they will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2022.

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

**SECRETARIAL AUDIT**

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

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

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

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

1. *Certain relevant e-forms were pending for filing on MCA portal as on audit period which includes filing of Annual Return, appointment of Managing Directors etc;*

**Reply:**

The compiling of financial data took time due to shortage of personnel and hence the said delay in filing of the same.

2. *Website of the Company is not updated as per SEBI (LODR) Regulation, 2015;*

**Reply:**

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

3. *Non-Compliance for appointment of Company Secretary and Internal Auditor for the aforesaid Audit period.*

**Reply:**

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

4. *Minutes are in process of updation.*

**Reply:**

The Company is process to complete.

**INTERNAL FINANCIAL CONTROLS**

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

Further, the Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**EMPLOYEES' STOCK OPTION PLAN**

The Company has not provided stock options to any employee.

**WHISTLE BLOWER POLICY/ VIGIL MECHANISM SYSTEM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

**RISK MANAGEMENT POLICY**

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

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

**DEPOSITS**

The Company has neither accepted nor renewed any fixed deposits during the year under review. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2016.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans granted and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in standalone financial statement under Note 9 & 13 respectively under Notes forming part of financial statement.

**INSURANCE**

The properties/assets of the Company are adequately insured.

**RELATED PARTY TRANSACTIONS**

Related party transactions, if any, that were entered into during the period ended March 31, 2018, were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The details of the related party transactions as per Indian Accounting Standard 24 are set out in Note No. 23.2 to the Significant Accounting policies part of this report.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

**CORPORATE GOVERNANCE**

Good corporate practices ensure that a Company meets its obligations to optimize shareholders' value and fulfills its responsibilities to the community, customers, employees, Government and other segments of the Society. It will, therefore, be its constant endeavour to achieve long term corporate goals. Even though the Company is not presently covered by the Regulation governing Corporate Governance compliance, the Company has taken various steps to initiate good Corporate Governance practices.

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

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

**(a) Conservation of Energy -**

We continue to strengthen our energy conservation efforts. We are always in lookout for energy efficient measures for operation, and value conservation of energy through usage of latest technologies for quality of

services. Although the equipments used by the Company are not energy sensitive by their very nature, still the Company is making best possible efforts for conservation of energy, which assures that the computers and all other equipments to be purchased by the Company strictly adhere to environmental standards, and they make optimum utilization of energy.

(b) Absorption of Technology -

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

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

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

(d) Foreign Exchange Earnings and Outgo -

During the financial year under review, there were no foreign earnings and outgo.

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

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

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

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

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

**SECRETARIAL STANDARDS**

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

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

The Company has received show Cause Notice from Reserve Bank of India dated 16<sup>th</sup> March, 2018 for cancellation of Certificate of Registration. Your Board has accepted to cancel the certificate of NBFC as Company has discontinued the NBFC activities. However, there are no significant and material orders passed by the Courts / Tribunals which would impact the going concern status of the Company and its future operations.

**PREVENTION OF INSIDER TRADING**

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

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**ACKNOWLEDGEMENT**

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

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

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

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

**Date: 25/08/2018**

**Registered Office:**

5 & 6, Fancy Lane, Kolkata - 700001,  
West Bengal, India.

***Annexure - I***  
***Nomination and Remuneration Policy***

**CONSTITUTION OF COMMITTEE**

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

**OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

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

**APPLICABILITY**

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

**DEFINITIONS:**

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

“**Board**” means Board of Directors of the Company.

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

“**Company**” means SJ Corporation Limited.

“**Directors**” mean Directors of the Company.

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

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

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

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

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

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

*Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.*

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

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

The Committee shall:

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

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

- (i). Appointment criteria and qualifications
  - a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

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

(ii). Term / Tenure

- a. Managing Director/Whole-time Director:
  - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b. Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
- c. Evaluation
  - The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).
- d. Removal
  - Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.



## e. Retirement

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

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

## (i). General:

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

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

## – Fixed pay:

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

## – Minimum Remuneration:

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

- Provisions for excess remuneration:

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

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

- Remuneration / Commission:

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

- Sitting Fees

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

- Commission:

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

- Stock Options:

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

**MEMBERSHIP:-**

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRMAN:-**

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

**FREQUENCY OF MEETINGS**

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

**COMMITTEE MEMBERS' INTERESTS**

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

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

**SECRETARY**

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

**VOTING**

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

**MINUTES OF COMMITTEE MEETING**

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

**IMPLEMENTATION**

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

**AMENDMENTS TO THE POLICY**

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

**AMENDMENTS IN THE LAW**

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

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

- i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and
- ii. The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2017-18

Name & Designation	*Remuneration of each Director & KMP for Financial Year 2017-18 (Rs.)	% increase/decrease in remuneration in the Financial Year 2017-18	Ratio of remuneration of each Directors to median remuneration of employees
<b>A. Independent Directors</b>			
Mrs. Tiparnapally Nikitha (ID)	-	-	-
Mr. Surya N. Tripathy (ID)	-	-	-
<b>B. Executive Directors/KMP</b>			
Mr. Jagan Mohan Reddy Thumma (MD)	4,80,000	(9.50%)	6.97:01
Mr. Sanjay M. Chauhan (CFO)	21,60,000	30.90%	31.35:01
<b>C. Non-Executive, Non-Independent Director</b>			
Mr. Joseph Sudheer Reddy Thumma	-	-	-

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

- I. Median remuneration of all the employees of the Company for the financial year 2017-18 is Rs.68,889.44/-
- iii. The percentage increase in the median remuneration of employees in the financial year 2017-18

	Financial Year 2017 - 18 (Rs.)	Financial Year 2016 - 17 (Rs.)	Increase (%)
Median remuneration of all employees	68,889.44	85484	19.41%

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 179 permanent employees on the rolls of Company as on March 31, 2018.
- 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 2017-18 was 20.37% and there is no increase in the salary of the MD.

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

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

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

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

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

**Date: 25/08/2018**

**Registered Office:**

5 & 6, Fancy Lane, Kolkata - 700001,  
West Bengal, India.

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

<b>Names of employees</b>	<b>Designation/ Nature of Duties</b>	<b>Remuneration Received [Rs.] p.a.</b>	<b>Qualification</b>	<b>Experience in years</b>	<b>Age in years</b>	<b>Date of commencement of employment</b>	<b>Last employment held</b>	<b>% of shareholding</b>
Jagan Mohan Reddy Thumma	Managing Director	480000.00	MBA	19 years	41 years	1-May-2016	JNIT Technologies PVT LTD	9.34%
Syed Ameeruddin	Operations Head	3600000.00	MBA	10 Years	29 Years	1-May-2016	JNIT Technologies PVT LTD	-
Arvind Gatla	Assistant Manager	505860.00	MBA	10 Years	40 Years	1-May-2016	JNIT Technologies PVT LTD	-
Krishna Prasad Vyakaranam	Technical Architect	1679459.98	B-Tech	11 Years	36 Years	1-May-2016	JNIT Technologies PVT LTD	-
Mohammed Aziz Pasha	Lead Business Development Manager	1591282.26	B-Tech	6 Years	28 Years	1-May-2016	JNIT Technologies PVT LTD	-
Nagesh Kumar Banala	Lead Business Development Manager	1275103.77	B-Tech	4.6 Years	27 Years	1-May-2016	JNIT Technologies PVT LTD	-
Mohammed Zuber Ahmed	Business Development Manager	599688.00	B.Tech.	3.3 Years	28 Years	1-May-2016	JNIT Technologies PVT LTD	-
Sanjay M. Chauhan	CFO	2160000.00	CA Intermediate	14 Years	37 Years	1-May-2016	JNIT Technologies PVT LTD	-
Joseph Jagadeesh Dasari	Business Development Trainee	642715.12	B.Tech.	3 Years	25 Years	1-May-2016	JNIT Technologies PVT LTD	-
Munesh Kumar Pebba	Business Development Manager	538838.09	Degree	4 Years	30 Years	1-May-2016	JNIT Technologies PVT LTD	-

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

<b>Names of Employees</b>	<b>Names of employees who are relatives of any Director</b>
Jagan Mohan Reddy Thumma	Brother of Joseph Sudheer Reddy Thumma
Syed Ameeruddin	No Relation with any Director
Arvind Gatla	No Relation with any Director
Krishna Prasad Vyakaranam	No Relation with any Director

Mohammed Aziz Pasha	No Relation with any Director
Nagesh Kumar Banala	No Relation with any Director
Mohammed Zuber Ahmed	No Relation with any Director
Sanjay M. Chauhan	No Relation with any Director
Joseph Jagadeesh Dasari	No Relation with any Director
Munesh Kumar Pebba	No Relation with any Director

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

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

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

**Date: 25/08/2018**

**Registered Office:**

*5 & 6, Fancy Lane, Kolkata - 700001,  
 West Bengal, India.*

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

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

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Lacs.)

Sl. No.	1
Name of the subsidiary	JNIT Technologies, INC.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2018
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Reporting Currency: \$ U.S. Dollar Exchange Rate as on 31-03-2018 is Rs.65.04
Share capital	Rs.74,801
Reserves & surplus	Rs.12,56,56,094
Total assets	Rs.42,23,16,576
Total Liabilities	Rs.29,65,85,681
Investments	-
Turnover	Rs.160,39,27,764
Profit before taxation	Rs.5,47,00,354
Provision for taxation	Rs.2,14,10,718
Profit after taxation	Rs.3,32,89,636
Proposed Dividend	-
% of shareholding	100

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

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

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

Sr. No.	Name of Associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	-
2.	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-



	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3.	Description of how there is significant influence	-
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6.	Profit / Loss for the year	-
i.	Considered in Consolidation	-
i.	Not Considered in Consolidation	-

Names of associates or joint ventures which are yet to commence operations : -No

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

**For D. Kothary & Company**

Chartered Accountants  
Firm Regn No. 105335W

**(Vipul N. Chauhan)**

(Partner)

Membership No. 047846

Place: Mumbai

Date :25<sup>th</sup> August 2018

**For South India Projects Limited,**

**Jagan Mohan Reddy Thumma**

Managing Director,

DIN: 06554945

Independent Director

**Nikitha Tiparnapally**

DIN:07399613

Place: Hyderabad

Date: 25<sup>th</sup> August, 2018

Chief Financial officer

**Sanjay Chauhan**

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

Overview of the Industry In FY 2018:

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

The global market for software and services is estimated to have grown to \$1.3 Trillion<sup>1</sup>. IT Services is estimated to have grown by 2.4% year on year, driven by digital demand. Your Company has historically grown much faster than the market, driven by significant market share gains on account of a superior capabilities, greater participation in the digital opportunity and track record in taking on and successfully executing large, transformational programs.

**INFORMATION TECHNOLOGY SECTOR: INDIAN PERSPECTIVE**

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

**COMPANY OVERVIEW:**

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

**STRATEGY:**

Your Company has successfully navigated through multiple technology cycles over the last years, pivoting and adapting each time to build relevant new capabilities and helping our clients realize the benefits of that new technology. Our responsiveness, agility and adaptability to change have been core to our progress. Customer-centricity is at the core of South India Projects Limited' strategy, organization structure and investment decisions. The philosophy has been to expand and deepen customer engagements by continually looking for new areas in the customer's operational value chain where your company can add value, and to proactively invest in building newer capabilities to participate in those opportunities. This has resulted in a continual expansion of every customer relationship in terms of the services consumed, revenue and share of wallet. The willingness to invest in the relationship, the commitment to deliver outstanding outcomes and the track record of execution excellence has resulted in high satisfaction levels and long, enduring customer relationships.

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

**THE CHALLENGE OF CHANGE**

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

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

**STRENGTHS:**

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

**OPPORTUNITIES:**

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

**WEAKNESS:**

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

**THREATS**

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

**INTERNAL CONTROL SYSTEM AND ADEQUACY:**

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

**HUMAN RESOURCES:**

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

**FINANCIAL PERFORMANCE:**

During the year under review, your Company achieved revenue from operations of Rs. 6,17,20,699 Lakhs as against Rs. 4,00,28,924 Lakhs in the Previous Year and a Consolidated revenue from operations of Rs. 161,12,69,865 as against 19,66,83,855 as per Consolidated statements for the previous year under review.

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

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

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

**Date:** 25/08/2018

**Place:** Hyderabad

**Annexure – VI****SECRETARIAL AUDIT REPORT****For the financial year ended March 31, 2018**

*[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,**

**SOUTH INDIA PROJECTS LTD**

Regd. Office: 5 & 6, Fancy Lane,

Kolkata - 700001, West Bengal,

India.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2018 (*'Audit Period'*) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, (*subject to the observations mentioned in this report*) in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended;
- (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) The Reserve Bank of India Act, 1934 and Guidelines, Directions and Instructions issued by Reserve Bank of India prescribed thereunder. The Company is registered as a Non-Banking Financial Company (Non-deposit accepting or holding) with Reserve Bank of India.

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:

- *Certain relevant e-forms were pending for filing on MCA portal as on audit period which includes filing of Annual Return, appointment of Managing Directors etc;*
- *Website of the Company is not updated as per SEBI (LODR) Regulation, 2015;*
- *Non-Compliance for appointment of Company Secretary and Internal Auditor for the aforesaid Audit period;*
- *Minutes are in process of updation.*

**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, subject to observation as mentioned hereinabove. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the resolutions were passed with consent of majority Directors and minutes were prepared accordingly.

**I further report that:**

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

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

**For: M/s. REENA S. MODI & ASSOCIATES  
COMPANY SECRETARIES**

**Place: Mumbai  
Date: 25/08/2018  
FCS: 25436  
CP NO.12621**

**REENA S. MODI  
{PROPRIETOR}**

To,

**The Members,**

**SOUTH INDIA PROJECTS LTD,**

Regd. Office: 5 & 6, Fancy Lane,

Kolkata - 700001, West Bengal,

India.

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

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

**For: M/s. REENA S. MODI & ASSOCIATES  
COMPANY SECRETARIES**

**Place: Mumbai**

**Date: 25/08/2018**

**FCS: 25436**

**CP NO.12621**

**REENA S. MODI  
{PROPRIETOR}**



# **SOUTH INDIA PROJECTS LTD.**

## **STANDALONE ANNUAL REPORT**

### **FINANCIAL YEAR 2017-18**



## **D. KOTHARY & CO.**

**Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
South India Projects Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements South India Projects Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial





## D. KOTHARY & CO.

Chartered Accountants

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss Statement including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules there under.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

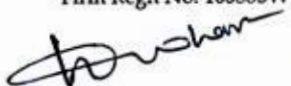




**D. KOTHARY & CO.**  
Chartered Accountants

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

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

  
(Vipul N. Chauhan)  
(Partner)  
Membership No. 047846



Place: Mumbai  
Date : 28<sup>th</sup> May 2018





**D. KOTHARY & CO.**  
**Chartered Accountants**

**Annexure A to Independent Auditors' Report**

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

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) According to the documents provided to us, we confirm that the title deeds of immovable properties are held in the name of the company.
2. The Company is engaged in software consultancy services; hence this clause is not applicable.
3. The Company has not granted loan to body corporate, firm and parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. According to the information and explanations given to us in respect of statutory dues:
  - a) Undisputed statutory dues in respect of sales tax, service tax, withholding taxes, provident fund, and employees' state insurance, cess as applicable and any other statutory dues have been regularly deposited with the appropriate authorities. There were no undisputed amounts payable in respect of Income-tax, Custom Duty, Sales Tax, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2018, for a period of more than six months from the date they became payable.
  - b) There are no statutory dues pending to be deposited on account of disputes pending with various forums.
8. The Company has not defaulted in repayment of loans taken from financial institution.



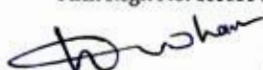


## D. KOTHARY & CO.

Chartered Accountants

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has paid/provided for managerial remuneration in the books of accounts in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has acquired shares of a Foreign Company and issued equity shares against acquisition, the requirement of section 42 of the Companies Act, 2013 have been complied with by the Company hence application of fund is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to register under section 45-IA of the Reserve Bank of India Act 1934.

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



(Vipul N. Chauhan)  
(Partner)  
Membership No. 047846



Place: Mumbai  
Date : 28<sup>th</sup> May 2018



## **D. KOTHARY & CO.**

**Chartered Accountants**

### **Annexure – B to The Independent Auditors' Report**

**To the Members of  
South India Projects Limited**

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

We have audited the internal financial controls over financial reporting of South India Projects Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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







## **D. KOTHARY & CO.**

### **Chartered Accountants**

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

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

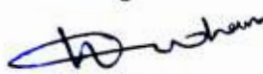
#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
(Vipul N. Chauhan)  
(Partner)  
Membership No. 047846



Place: Mumbai  
Date : 28<sup>th</sup> May 2018

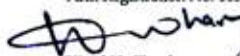


**South India Projects Limited**  
**CIN: L72100WB1981PLC034342**  
**Balance Sheet As at 31st March 2018**

Sr. No	Particulars	Notes	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
<b>I.</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non Current Assets</b>				
	(a) Property, Plant and Equipment	4	6,917,689	1,457,245	52,604
	(b) Financial Assets				
	(i) Investments	5	260,000,000	260,000,000	29,415
	(c) Other non-current assets	6	2,056,000	-	-
			268,973,689	261,457,245	82,019
<b>2</b>	<b>Current Assets</b>				
	(a) Financial Assets				
	(i) Trade receivables	7	5,338,819	3,057,270	-
	(ii) Cash and cash equivalents	8	2,847,635	383,739	2,073,064
	(iv) Loans	9	88,604,342	88,094,734	83,208,979
	(b) Other current assets	10	1,809,707	558,534	18,956
			98,600,503	92,094,277	85,300,999
	<b>TOTAL</b>		367,574,193	353,551,523	85,383,018
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>EQUITY</b>				
	(a) Equity Share Capital	11	50,333,880	50,333,880	30,333,880
	(b) Other Equity	12	306,344,671	298,506,161	54,001,451
			356,678,551	348,840,041	84,335,331
	<b>LIABILITIES</b>				
<b>1</b>	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	13	3,363,871	655,681	-
	(b) Deferred tax liabilities (Net)	14	190,354	84,508	30,406
			3,554,225	740,189	30,406
<b>2</b>	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15	325,000	-	500,000
	(iii) Other Financial Liabilities	16	797,269	173,599	-
	(b) Other Current Liabilities	17	4,671,311	3,130,442	368,199
	(c) Provisions	18	221,511	-	-
	(d) Current Tax Liabilities (Net)		1,326,326	667,252	149,082
			7,341,417	3,971,293	1,017,281
	<b>TOTAL</b>		367,574,193	353,551,523	85,383,018

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

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

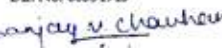
  
Vipul N. Chauhan  
Partner  
Membership No.: 047846




Place : Mumbai  
Date : 28th May 2018

For and on behalf of the Board of Directors

  
Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

  
Sanjay Chauhan

Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G  
Place : Hyderabad  
Date : 28th May 2018

  
Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

**South India Projects Limited**  
**CIN: L72100WB1981PLC034342**  
**Statement of Profit and Loss for the year ended 31st March 2018**

Particulars	Notes	2017-2018 Amount In Rs.	2016-2017 Amount In Rs.
Revenue from operations	19	61,720,699	40,028,924
Other incomes		-	-
<b>Total Revenue</b>		<b>61,720,699</b>	<b>40,028,924</b>
<b>Expenses:</b>			
Employee benefit expenses	20	35,023,491	27,142,240
Finance cost	21	196,454	9,390
Depreciation and amortization expenses	4	519,393	112,967
Other Expenses	22	11,280,565	5,985,476
<b>Total Expenses</b>		<b>47,019,903</b>	<b>33,250,073</b>
<b>Profit before tax</b>		<b>14,700,795</b>	<b>6,778,851</b>
<b>Tax expense:</b>			
Current tax		3,800,000	2,100,000
Earlier year tax		(72,602)	120,039
Deferred tax		105,845	54,102
<b>Profit for the year</b>		<b>10,867,552</b>	<b>4,504,710</b>
<b>Other Comprehensive Income</b>			
Items will not be reclassified to profit & loss		-	-
Items will be reclassified to profit & loss		-	-
<b>Total Comprehensive Income</b>		<b>10,867,552</b>	<b>4,504,710</b>
<b>Earning per share on Equity Shares of Rs. 10 each</b>			
- Basic & Diluted	24	2.16	1.44

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

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

Vipul N. Chauhan  
Partner  
Membership No.: 047846



Place : Mumbai  
Date : 28th May 2018

For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

Independent Director  
Nikitha Tiparnapally  
Din No. 07399613  
Place : Hyderabad  
Date : 28th May 2018

Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G

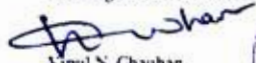
**South India Projects Limited**  
**CIN: L72100WB1981PLC034342**  
**Cash Flow Statement For The Year Ended March 31, 2018**

Particulars	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss	14,700,795	6,778,851
Adjustments for :		
Depreciation	519,393	112,967
Provision for Standard Assets	221,511	-
Gain on sale of Investment	-	(3,339)
Interest Expenses	196,454	9,390
<b>Operating Cash Flow Before Changes in Working Capital</b>	<b>15,638,154</b>	<b>6,897,869</b>
Changes in current assets and liabilities		
(Increase)/ Decrease in trade receivables	(2,281,549)	(3,057,270)
(Increase)/ Decrease in Loans	(509,608)	(4,885,755)
(Increase)/ Decrease in Other Current and Non-Current Assets	(3,307,173)	(539,578)
Increase/ (Decrease) in Other Current Liabilities	1,540,870	2,762,243
<b>Cash Generated From Operations</b>	<b>11,080,693</b>	<b>1,177,509</b>
Payment of Taxes (Net of Refunds)	(3,068,324)	(1,701,869)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>8,012,369</b>	<b>(524,360)</b>
<b>B. Cash Flow From Investing Activities :</b>		
Payment of property, plant & equipments & Intangibles	(5,979,837)	(1,517,608)
(Purchase)/ sale of Investment	-	32,753
Interest income	-	-
<b>Net Cash Flow From Investment Activities (B)</b>	<b>(5,979,837)</b>	<b>(1,484,855)</b>
<b>C. Cash Flow From Financing Activities :</b>		
Dividend Paid (including dividend Tax)	(3,029,042)	-
(Repayment) / Borrowing from financial institutions/Others	3,656,860	329,280
Financial Expenses	(196,454)	(9,390)
<b>Net Cash From / (Used In) Financing Activities (C)</b>	<b>431,364</b>	<b>319,890</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>2,463,896</b>	<b>(1,689,325)</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>383,739</b>	<b>2,073,064</b>
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>2,847,635</b>	<b>383,739</b>

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

As per our report of even date

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

  
Vipul N. Chauhan  
Partner  
Membership No: 047846

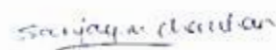


Place : Mumbai  
Date : 28th May 2018

For and on behalf of the Board of Directors

  
Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

  
Independent Director  
Nikitha Tiparnapally  
Din No. 07399613  
Place : Hyderabad  
Date : 28th May 2018

  
Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G

## Statement of Changes in Equity for the year ended 31st March 2018

## Note A :- Equity share Capital

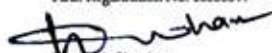
PARTICULARS	Note	Amount In Rs.
As at 1st April 2016		50,333,880
Changes in equity share capital during the year		-
As at 31st March 2017		50,333,880
Changes in Equity share capital during the year		-
As at 31st March 2018	11	50,333,880

## Note B : Other Equity

Particulars	Reserves & Surplus			Statutory Reserves	Total Other Equity
	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at April 1, 2016	-	31,522,620	13,164,317	9,314,514	54,001,451
Profit for the year	-	-	4,504,710	-	4,504,710
On account on acquisition of subsidiary	240,000,000	-	-	-	240,000,000
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-
Total Comprehensive Income for the year	240,000,000	31,522,620	17,669,027	9,314,514	298,506,161
Dividends/Tax on Dividend	-	-	-	-	-
Reversal of Dividends/Tax on Dividend	-	-	-	-	-
(Short) / excess provision for tax	-	-	-	-	-
Transfer from Retained Earnings	-	-	(900,942)	900,942	-
Balance as at March 31, 2017	240,000,000	31,522,620	16,768,085	10,215,456	298,506,161
Profit for the year	-	-	10,867,552	-	10,867,552
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-
Total Comprehensive Income for the year	240,000,000	31,522,620	27,635,637	10,215,456	309,373,713
Dividends/Tax on Dividend	-	-	(3,029,042)	-	(3,029,042)
Reversal of Dividends/Tax on Dividend	-	-	-	-	-
Transfer from Retained Earnings	-	-	(2,173,510)	2,173,510	-
Balance as at March 31, 2018	240,000,000	31,522,620	22,433,085	12,388,966	306,344,671

As per our report of even date

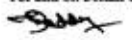
For Dkothary & Co.,  
Chartered Accountants  
Firm Registration No. 105335W

  
Vipul N. Chauhan  
Partner  
Membership No.: 047846

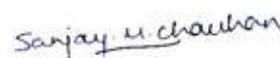


Place : Mumbai  
Date : 28th May 2018

For and on behalf of the Board of Directors

  
Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

  
Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

  
Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G

Place : Hyderabad  
Date : 28th May 2018



**Notes to the financial statements for the year ended March 31, 2018****1. Company overview**

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

**2. Basis of preparation of financial statements****a) Accounting convention**

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

For all periods upto and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

Pursuant to the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards notified under Section 133 read with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind AS for the year ended March 31, 2017. These financial statements for the year ended March 31, 2018 are the first financial statements the company has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First- Time Adoption of Indian Accounting Standards with the date of transition as April 01, 2016. There is no transition effects during the transition period.

**b) Basis of measurement**

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

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

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



**Notes to the financial statements for the year ended March 31, 2018**

revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

**d) Functional and presentation currency**

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

**e) Foreign currency transaction**

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

**3. Significant Accounting Policies**

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

**a) Revenue Recognition**

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

**Sale of Goods and services**

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

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

**Interest Income**

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

**Investment income**

Incomes from investments are accounted on an accrual basis.

**b) Property, Plant and Equipment****Transition to Ind AS:**

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

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





**Notes to the financial statements for the year ended March 31, 2018**

to the Statement of Profit and Loss during the financial year in which they are incurred.

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

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

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

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

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

**c) Financial Instruments****Financial Assets**

The Company classifies its financial assets in the following categories:

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

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

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

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

- iii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)** - For investments which are not held for trading purposes and where the company has





**Notes to the financial statements for the year ended March 31, 2018**

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

- iv) **Financial assets at Fair Value through Profit and loss (FVTPL)** - Financial assets other than the equity investments and investment classified as FVTOCI are measured at FVTPL. These include surplus funds invested in mutual funds etc.
- v) **Impairment of financial assets** - The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**Financial liabilities****Initial recognition and measurement**

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

**Offsetting financial instruments**

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

**d) Employee benefits**

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

**Defined contribution plan:**

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

**Defined benefit plan:****Gratuity:**

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment





**Notes to the financial statements for the year ended March 31, 2018**

in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

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

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

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

**e) Provisions**

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

**f) Income Tax****a) Current Income Tax**

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

**b) Deferred Tax:**

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

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

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



**Notes to the financial statements for the year ended March 31, 2018**

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

**g) Leases****As a lessee**

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

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

**As a lessor**

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

**h) Cash flow Statement**

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

**i) Earnings per share**

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

**j) Contingent Liabilities**

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







**Notes to the financial statements for the year ended March 31, 2018**

Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

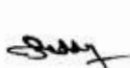
**k) Borrowing Costs**

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

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

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

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



Notes to the Financial Statements for the year ended 31st March, 2018

## Note 4 : Property, Plant &amp; Equipment

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2017	Additions	Disposals	Balance as at 31 Mar, 2018	Balance as at 1 April, 2017	Depreciation / amortisation expense for the year	Balance as at 31 Mar, 2018	Balance as at 31 March, 2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>								
Land	52,604	-	-	52,604	-	-	52,604	52,604
Computer & Printer	653,866	941,587	-	1,595,453	104,699	261,642	1,229,112	549,167
Office equipment	46,582	335,342	-	381,924	3,480	29,796	348,648	43,102
Vehicle	817,160	4,659,408	-	5,476,568	4,787	225,985	5,245,796	812,373
Furniture and Fixture	-	43,500	-	43,500	-	1,970	41,530	-
<b>Total</b>	<b>1,570,212</b>	<b>5,999,837</b>	<b>-</b>	<b>7,550,049</b>	<b>112,967</b>	<b>519,393</b>	<b>632,360</b>	<b>1,457,245</b>
Previous year	52,604	1,517,608	-	1,570,212	-	112,967	1,457,245	52,604

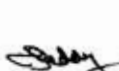
D. K.

S. K.



## Notes to the financial statements for the year ended March 31, 2018

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1, 2016 Amount in Rs.
<b>Note 5 :- Investments (Non Current)</b>			
<b>Investment in Subsidiary (Non Trade)</b>			
1,150 common stock of JNIT Technologies INC of 15 each	260,000,000	260,000,000	-
<b>Investment in Others</b>			
Quoted Investment	-	-	29,415
<b>Total</b>	<b>260,000,000</b>	<b>260,000,000</b>	<b>29,415</b>
<b>Note 6 :- Other Non Current Assets (Unsecured, Considered Good)</b>			
(a) Security deposits	2,056,000	-	-
<b>Total</b>	<b>2,056,000</b>	<b>-</b>	<b>-</b>
<b>Note 7 :- Trade Receivables (Unsecured)</b>			
Considered Good	5,338,819	3,057,270	-
Considered Doubtful	-	-	-
Less : Allowance for Bad and Doubtful Debts	-	-	-
<b>Total</b>	<b>5,338,819</b>	<b>3,057,270</b>	<b>-</b>





## Notes to the financial statements for the year ended March 31, 2018

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1, 2016 Amount in Rs.
<b>Note 8 :- Cash And Cash Equivalents</b>			
Balances with banks			
(i) In current accounts	2,833,567	373,600	2,046,668
Cash on hand	14,069	10,139	26,396
<b>Total</b>	<b>2,847,635</b>	<b>383,739</b>	<b>2,073,064</b>
<b>Note 9 :- Loans (Current)</b>			
Inter Corporate Deposit	88,604,342	88,094,734	83,208,979
<b>Total</b>	<b>88,604,342</b>	<b>88,094,734</b>	<b>83,208,979</b>
<b>Note 10 :- Other Current Assets</b>			
Balances with government authorities	1,245,791	404,086	
Prepaid Expenses	553,916	148,448	
Advance to staff	10,000	6,000	18,956
<b>Total</b>	<b>1,809,707</b>	<b>558,534</b>	<b>18,956</b>

*Surya* *W. K.*



Notes to the financial statements for the year ended March 31, 2018

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

PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
<b>AUTHORISED SHARE CAPITAL</b>			
3,00,00,000 (Previous Year 65,00,000) Equity Shares of Rs.10 each	300,000,000	65,000,000	40,000,000
<b>Total</b>	<b>300,000,000</b>	<b>65,000,000</b>	<b>40,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
50,33,388 (Previous Year 50,33,388) Equity Shares of Rs.10 each fully paid up	50,333,880	50,333,880	30,333,880
<b>Total</b>	<b>50,333,880</b>	<b>50,333,880</b>	<b>30,333,880</b>

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

NOTE 11 (c) :- The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is set out below

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	No. of shares held	Amount In Rs.	No. of shares held	Amount In Rs.
<b>Equity Shares</b>				
Number of shares at the beginning	5,033,388	50,333,880	3,033,388	30,333,880
Add : Further Issue of Shares on acquisition of subsidiary	-	-	2,000,000	20,000,000
Less: Buy Back	-	-	-	-
<b>Number of shares at the end</b>	<b>5,033,388</b>	<b>50,333,880</b>	<b>5,033,388</b>	<b>50,333,880</b>

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

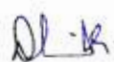
Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares held	% holding	No. of shares held	% holding
<b>Equity shares with voting rights</b>				
Joseph Sudheer Reddy Thumma	2,119,346	42.11%	2,119,346	42.11%
Jagan Mohan Reddy Thumma	470,000	9.34%	470,000	9.34%
Dennis Reddy Thumma	320,000	6.36%	320,000	6.36%
Innamma Reddy Thumma	320,000	6.36%	320,000	6.36%





## Notes to the financial statements for the year ended March 31, 2018

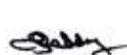
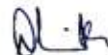
PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
<b>Note 12: Other Equity</b>			
General Reserve	31,522,620	31,522,620	
Securities premium	240,000,000	240,000,000	
Statutory Reserve	10,215,456	9,314,514	
Add: Transfer from profit and loss account	2,173,510	900,942	
	12,388,966	10,215,456	
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>			
Opening balance	16,768,085	13,164,317	
Add: Profit / (Loss) for the year	10,867,552	4,504,710	
	27,635,637	17,669,027	
<b>Less:</b>			
Transfer to statutory reserve	2,173,510	900,942	
Interim Dividend	2,516,694	-	
Tax on Dividend	512,348	-	
	22,433,084	16,768,085	
<b>Total</b>	<b>306,344,671</b>	<b>298,506,161</b>	
<b>Note 13 :- Borrowings (Non Current)</b>			
<b>Term loans (Secured)</b>			
Vehicle Loan from financial institutions	3,363,871	655,681	-
<b>Total</b>	<b>3,363,871</b>	<b>655,681</b>	<b>-</b>
- Vehicle Loan from Cholamandalam Investment and finance Company Ltd is to be paid in 48 equal monthly installment carrying interest rate 13% and maturity at February 2021.			
- Vehicle Loan from Kotak Mahindra Prime Ltd is to be paid in 60 equal monthly installment carrying interest rate 9.52% and maturity at January 2023.			
<b>NOTE 14 :- Deferred Tax Liability (net)</b>			
<b>Tax effect of items constituting deferred tax liability</b>			
On account of fixed assets	190,354	84,508	30,406
<b>Total</b>	<b>190,354</b>	<b>84,508</b>	<b>30,406</b>
<b>Note 15 :- Borrowings (Current)</b>			
<b>Unsecured</b>			
From Director	325,000	-	500,000
<b>Total</b>	<b>325,000</b>	<b>-</b>	<b>500,000</b>
<b>Note 16 :- Other Financial Liabilities (Current)</b>			
(a) Current maturities of long term borrowings	797,269	173,599	-
<b>Total</b>	<b>797,269</b>	<b>173,599</b>	<b>-</b>




## Notes to the financial statements for the year ended March 31, 2018

PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
<b>Note 17 :- Provisions (Current)</b>			
Provision for Standard Assets	221,511	-	-
<b>Total</b>	<b>221,511</b>	<b>-</b>	<b>-</b>
<b>Note 18 :- Other Current Liabilities (Current)</b>			
(a) Statutory liabilities	673,432	461,056	18,238
(b) Salary Payable	2,982,335	1,849,035	-
(c) Other Payable	1,015,544	820,351	349,961
<b>Total</b>	<b>4,671,311</b>	<b>3,130,442</b>	<b>368,199</b>


**Notes to the financial statements for the year ended March 31, 2018**

<b>PARTICULARS</b>	<b>2017-2018 Amount in Rs.</b>	<b>2016-2017 Amount in Rs.</b>
<b><u>Note 19 :- Revenue from Operations</u></b>		
Service Income	54,378,598	32,698,103
Interest Income	7,342,101	7,327,482
Gain on Sale of Investments	-	3,339
<b>Total</b>	<b>61,720,699</b>	<b>40,028,924</b>
<b><u>Note 20 :- Employee Benefit Expenses</u></b>		
Salary, wages, bonus and allowances	31,793,417	25,212,977
Contribution to Provident Fund and Other Funds	1,378,370	1,015,182
Employee welfare and other amenities	1,851,704	914,081
<b>Total</b>	<b>35,023,491</b>	<b>27,142,240</b>

*Sd/-* *D.K.*



## Notes to the financial statements for the year ended March 31, 2018

PARTICULARS	2017-2018 Amount in Rs.	2016-2017 Amount in Rs.
<b>Note 21 :- Finance Costs</b>		
Interest on Vehicle Loan	196,454	9,390
<b>Total</b>	<b>196,454</b>	<b>9,390</b>
<b>Note 22 :- Other Expenses</b>		
Audit Fees	190,000	125,000
Bank charges	19,741	34,603
Sundry Expenses	179,631	162,547
Advertisement & Business Promotion	87,270	170,330
Professional Fees	1,376,263	549,630
Rent, Rates & Taxes	777,694	254,426
Rent Expenses	4,627,263	2,949,006
Telephone & Internet Charges	845,332	329,626
Insurance Vehicle	39,758	3,678
Electricity Expenses	918,591	757,338
Foreign Exchange Fluctuation	34,382	-
Printing Expenses	59,781	59,786
Repairs & Maintenance	460,843	215,005
Provision for Standard Assets	221,511	-
Conveyance & Travelling	1,442,506	374,501
<b>Total</b>	<b>11,280,565</b>	<b>5,985,476</b>

*[Handwritten signatures]*



**SOUTH INDIA PROJECTS LIMITED**

CIN: L72100WB1961PLC034342

Notes to the Financial Statements for the year ended 31st March, 2018

**23 Related party transactions**

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

**23.1 Relationships during the year****(A) Key Managerial Personnel**

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

**(B) Wholly owned subsidiary**

JNIT Technologies INC (with effect from 16th March 2017)

**23.2 Related party transactions****(A) Transactions with related parties during the year :**

Particulars	March 31, 2018	March 31, 2017
<b>Receivables</b>		
JNIT Technologies Inc	5,338,819	3,057,270
<b>Service Income</b>		
JNIT Technologies Inc	54,378,598	32,698,103
<b>Director Remuneration</b>		
Jagan Mohan Reddy Thumma	480,000	438,328
Sanjay Mahendra Chauhan	2,160,000	1,650,000

*Sanjay* *DK*



**SOUTH INDIA PROJECTS LIMITED**

CIN: L72100WB1961PLC034342

Notes to the Financial Statements for the year ended 31st March, 2018

**24 Earnings per share**


Particulars	March 31, 2018	March 31, 2017
Net profit after tax as per statement of profit and loss	10,867,552	4,504,710
Weighted average number of equity shares outstanding during the year	5,033,388	3,121,059
Nominal value per equity share	10	10
Basic & Diluted Earnings per share	2.16	1.44

- 25 In the opinion of the Board, the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet.
- 26 On the basis of the information available with the company, there are no micro and small scale business enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2018.
- 27 **Previous Year figures**  
Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

From true extract of Books of Accounts

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

For and on behalf of Board of Directors

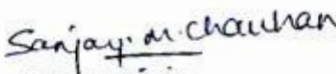
  
Vipul N. Chauhan  
Partner  
Membership No.: 047846

Place: Mumbai  
Date: 28th May 2018



  
Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945  
  
Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

Place :  
Date: 28th May 2018

  
Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G

# **SOUTH INDIA PROJECTS LTD.**

## **CONSOLIDATED ANNUAL REPORT**

### **FINANCIAL YEAR 2017-18**



## **D. KOTHARY & CO.**

### **Chartered Accountants**

#### **INDEPENDENT AUDITORS' REPORT**

**To the Members of  
South India Projects Limited**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **South India Projects Limited** ("the Holding Company") and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Ind AS Financial Statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity 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 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; the 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

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## D. KOTHARY & CO.

### Chartered Accountants

and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Other Matters

We did not audit the financial information of subsidiary included in the consolidated financial results whose financial information reflect total assets of Rs. 42,23,16,576/- as at March 31, 2018, total revenues of Rs. 160,39,27,764/-, total net profit after tax of Rs. 3,32,89,636/- for the period ended on that date, as considered in the consolidated financial results. This financial information has been audited by other auditors whose report has been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of other auditor.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

#### Report on Other Legal and Regulatory Requirements

1. 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.



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## **D. KOTHARY & CO.**

**Chartered Accountants**

- 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules there under.
- (e) On the basis of the written representations received from the directors of the Group as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Group 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.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group does not have any pending litigations which has impact on its financial position in its financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

**Vipul N. Chauhan**  
Partner  
Membership No. 047846  
Place: Mumbai  
Date: 28<sup>th</sup> May, 2018.



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**South India Projects Limited**  
CIN: L72100WB1981PLC034342  
Consolidated Balance Sheet As at 31st March 2018

Sr. No.	Particulars	Notes	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
<b>I.</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non Current Assets</b>				
	(a) Property, Plant and Equipment	4	14,377,401	9,393,483	-
	(b) Goodwill on Consolidation		171,936,885	171,937,121	-
	(b) Financial Assets				
	(i) Investments	5	-	-	-
	(c) Other non-current assets	6	3,846,079	1,784,423	-
			190,160,365	183,115,027	-
<b>2</b>	<b>Current Assets</b>				
	(a) Financial Assets				
	(i) Trade receivables	7	345,474,647	278,412,928	-
	(ii) Cash and cash equivalents	8	5,392,356	619,914	-
	(iv) Loans	9	120,550,817	130,699,270	-
	(b) Other current assets	10	34,910,650	4,191,894	-
			506,328,469	413,924,008	-
	<b>TOTAL</b>		696,488,834	597,039,035	-
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>EQUITY</b>				
	(a) Equity Share Capital	11	50,333,880	50,333,880	-
	(b) Other Equity	12	344,012,450	302,731,199	-
			394,346,330	353,065,079	-
	<b>LIABILITIES</b>				
<b>1</b>	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	13	5,281,241	3,210,257	-
	(b) Deferred tax liabilities (Net)	14	190,354	84,508	-
			5,471,595	3,294,765	-
<b>2</b>	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15	325,000	61,627,857	-
	(ii) Trade Payable		53,895,737	24,766,335	-
	(iii) Other Financial Liabilities	16	1,462,410	809,990	-
	(b) Other Current Liabilities	17	206,073,342	108,378,921	-
	(c) Provisions	18	221,511	-	-
	(d) Current Tax Liabilities (Net)		34,692,909	45,096,087	-
			296,670,909	240,679,191	-
	<b>TOTAL</b>		696,488,834	597,039,035	-

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

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

Vipul N. Chauhan  
Partner  
Membership No.: 047846

Place : Mumbai  
Date : 28th May 2018

For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G  
Place : Hyderabad  
Date : 28th May 2018

Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

**South India Projects Limited**  
**CIN: L72100WB1981PLC034342**  
**Consolidated Statement of Profit and Loss for the year ended 31st March 2018**

Particulars	Notes	2017-2018 Amount In Rs.	2016-2017 Amount In Rs.
Revenue from operations	19	1,611,269,865	196,683,855
Other incomes		-	-
<b>Total Revenue</b>		<b>1,611,269,865</b>	<b>196,683,855</b>
<b>Expenses:</b>			
Employee benefit expenses	20	1,355,994,268	162,576,884
Finance cost	21	1,972,109	395,289
Depreciation and amortization expenses	4	2,479,073	349,592
Other Expenses	22	181,423,266	19,235,250
<b>Total Expenses</b>		<b>1,541,868,716</b>	<b>182,557,015</b>
<b>Profit before tax</b>		<b>69,401,149</b>	<b>14,126,840</b>
<b>Tax expense:</b>			
Current tax		25,210,718	5,247,307
Earlier year tax		(72,602)	120,039
Deferred tax		105,845	54,102
<b>Profit for the year</b>		<b>44,157,188</b>	<b>8,705,391</b>
<b>Other Comprehensive Income</b>			
Items will not be reclassified to profit & loss		-	-
Items will be reclassified to profit & loss			
Exchange differences in translating the financial statements of foreign operations		153,105	24,357
<b>Total Comprehensive Income</b>		<b>44,310,293</b>	<b>8,729,748</b>
<b>Earning per share on Equity Shares of Rs. 10 each</b>	24		
- Basic & Diluted		8.77	2.79

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

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

Vipul N. Chauhan  
Partner  
Membership No.: 047846



Place : Mumbai  
Date : 28th May 2018

For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

Independent Director  
Nikitha Tiparnapally  
Din No. 07399613

Place : Hyderabad  
Date : 28th May 2018

Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G



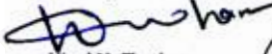
**South India Projects Limited**  
**CIN: L72100WB1981PLC034342**  
**Consolidated Cash Flow Statement For The Year Ended March 31, 2018**

Particulars	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss	69,401,149	14,126,840
<u>Adjustments for :</u>		
Depreciation	2,479,073	349,592
Provision for Standard Assets	221,511	-
Loss on sale of Assets	172,590	-
Interest Expenses	1,972,109	395,289
<b>Operating Cash Flow Before Changes in Working Capital</b>	<b>74,246,433</b>	<b>14,871,721</b>
<b>Changes in current assets and liabilities</b>		
(Increase)/ Decrease in trade receivables	(67,061,719)	(19,196,181)
(Increase)/ Decrease in Loans	10,148,454	(7,417,315)
(Increase)/ Decrease in Other Current and Non-Current Assets	(32,780,411)	2,418,912
Increase/ (Decrease) in Other Current Liabilities	97,847,527	(7,204,597)
Increase/ (Decrease) in Other Trade payable	29,129,402	-
<b>Cash Generated From Operations</b>	<b>111,529,685</b>	<b>(16,527,460)</b>
Payment of Taxes (Net of Refunds)	(35,541,294)	(4,849,176)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>75,988,391</b>	<b>(21,376,636)</b>
<b>B. Cash Flow From Investing Activities :</b>		
Payment of property, plant & equipments & Intangibles	(7,635,345)	(1,517,608)
(Purchase)/ sale of Investment	-	32,754
Interest income	-	-
<b>Net Cash Flow From Investment Activities (B)</b>	<b>(7,635,345)</b>	<b>(1,484,854)</b>
<b>C. Cash Flow From Financing Activities :</b>		
Dividend Paid (including dividend Tax)	(3,029,042)	-
(Repayment) / Borrowing from financial institutions/ Others	(58,579,453)	(8,446,754)
Financial Expenses	(1,972,109)	(395,289)
<b>Net Cash From/ (Used In) Financing Activities (C)</b>	<b>(63,580,604)</b>	<b>(8,842,044)</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>4,772,441</b>	<b>(31,703,533)</b>
Cash And Cash Equivalents At The Beginning Of The Year	619,914	2,073,064
Cash And Cash Equivalents of Subsidiary at the beginning	-	30,250,384
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>5,392,356</b>	<b>619,914</b>

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

As per our report of even date

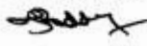
For Dkothary & Co.,  
Chartered Accountants  
Firm Registration No. 105335W


  
Vipul N. Chauhan  
Partner  
Membership No.: 047846

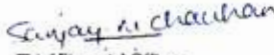


Place : Mumbai  
Date : 28th May 2018

For and on behalf of the Board of Directors

  
Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 06554945

  
Independent Director  
Nikitha Tiparnapally  
Din No. 07399613  
Place : Hyderabad  
Date : 28th May 2018

  
Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7749G

South India Projects Limited  
Consolidated Statement of Changes in Equity for the year ended 31st March 2018

Note A -> Equity share Capital

PARTICULARS	Note	Amount in Rs.
As at 1st April 2016		50,333,880
Changes in Equity share capital during the year		-
As at 31st March 2017		50,333,880
Changes in Equity share capital during the year		-
As at 31st March 2018	11	50,333,880

Note B : Other Equity

Particulars	Reserves & Surplus			Foreign Currency Translation Reserve	Statutory Reserves	Total Other Equity
	Securities Premium Reserve	General Reserve	Retained Earnings			
Balance as at April 1, 2016	-	31,522,620	13,164,317	-	9,314,514	54,001,451
Profit for the year	-	-	8,705,391	-	-	8,705,391
On account on acquisition of subsidiary	240,000,000	-	-	-	-	240,000,000
Other Comprehensive Income for the year, net of Income Tax	-	-	-	24,357	-	24,357
<b>Total Comprehensive Income for the year</b>	<b>240,000,000</b>	<b>31,522,620</b>	<b>21,869,708</b>	<b>24,357</b>	<b>9,314,514</b>	<b>302,731,199</b>
Dividends/Tax on Dividend	-	-	-	-	-	-
Reversal of Dividends/Tax on Dividend	-	-	-	-	-	-
(Short) / excess provision for tax	-	-	-	-	-	-
Transfer from Retained Earnings	-	-	(900,942)	-	900,942	-
<b>Balance as at March 31, 2017</b>	<b>240,000,000</b>	<b>31,522,620</b>	<b>20,968,766</b>	<b>24,357</b>	<b>10,215,456</b>	<b>302,731,199</b>
Profit for the year	-	-	44,157,188	-	-	44,157,188
Other Comprehensive Income for the year, net of Income Tax	-	-	-	153,105	-	153,105
<b>Total Comprehensive Income for the year</b>	<b>240,000,000</b>	<b>31,522,620</b>	<b>65,125,954</b>	<b>177,463</b>	<b>10,215,456</b>	<b>347,041,492</b>
Dividends/Tax on Dividend	-	-	(3,029,042)	-	-	(3,029,042)
Reversal of Dividends/Tax on Dividend	-	-	-	-	-	-
Transfer from Retained Earnings	-	-	(2,173,510)	-	2,173,510	-
<b>Balance as at March 31, 2018</b>	<b>240,000,000</b>	<b>31,522,620</b>	<b>59,923,402</b>	<b>177,463</b>	<b>12,388,966</b>	<b>344,012,450</b>

As per our report of even date

For Dkothary & Co.,  
Chartered Accountants  
Firm Registration No. 105335W  
Vipul N. Chauhan  
Partner  
Membership No.: 047846



For and on behalf of the Board of Directors

Managing Director  
Jagan Mohan Reddy Thumma  
Din No. 0654945  
Independent Director  
Nikhitha Tiparnapally  
Din No. 07399613

Sanjay N. Chauhan  
Chief Financial Officer  
Sanjay Chauhan  
Pan No. AFLPC7769C

Place : Mumbai  
Date : 28th May 2018

Place : Hyderabad  
Date : 28th May 2018

**Consolidated Notes to the financial statements for the year ended March 31, 2018****1. Company overview**

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

**2. Basis of preparation of financial statements****a) Accounting convention**

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

For all periods upto and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

Pursuant to the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards notified under Section 133 read with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind AS for the year ended March 31, 2017. These financial statements for the year ended March 31, 2018 are the first financial statements the company has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First- Time Adoption of Indian Accounting Standards with the date of transition as April 01, 2016. There is no transition effect during the year from the date of transition as April 01, 2016.

**b) Basis of measurement**

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

**Subsidiaries included in consolidation**

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





**Consolidated Notes to the financial statements for the year ended March 31, 2018****c) Key accounting judgement, estimates and assumptions**

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

**d) Functional and presentation currency**

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

**e) Foreign currency transaction**

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

**3. Significant Accounting Policies**

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

**Basis of Consolidation****Subsidiary**

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

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

**a) Revenue Recognition**

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

**Sale of Goods and services**

**Consolidated Notes to the financial statements for the year ended March 31, 2018**

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

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

**Interest Income**

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

**Investment income**

Incomes from investments are accounted on an accrual basis.

**b) Property, Plant and Equipment****Transition to Ind AS:**

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

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

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

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

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

*[Handwritten signatures]*





**Consolidated Notes to the financial statements for the year ended March 31, 2018**

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

**c) Financial Instruments****Financial Assets**

The Company classifies its financial assets in the following categories:

- i) **Financial assets at amortised cost** - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.  
They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss if any.  
Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.
- ii) **Equity investments** - Investment in subsidiaries/associates are stated at cost. All other equity investments are measured at fair value, except for certain unquoted equity investments which are carried at cost where the fair value of these investments cannot be reliably measured.
- iii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)** - For investments which are not held for trading purposes and where the company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.
- iv) **Financial assets at Fair Value through Profit and loss (FVTPL)** - Financial assets other than the equity investments and investment classified as FVTOCI are measured at FVTPL. These include surplus funds invested in mutual funds etc.
- v) **Impairment of financial assets** - The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**Financial liabilities****Initial recognition and measurement**

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

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an

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**Consolidated Notes to the financial statements for the year ended March 31, 2018**

intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**d) Inventories**

Inventories are stated at the lower of cost and net realisable value, less any provision for obsolescence. Cost is determined on the following basis:

- purchased raw material and traded goods are recorded at cost on a first-in, first-out ("FIFO") basis.
- finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a FIFO basis.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

**e) Employee benefits**

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

**Defined contribution plan:**

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

**Defined benefit plan:****Gratuity:**

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

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur directly in Other





**Consolidated Notes to the financial statements for the year ended March 31, 2018**

Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

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

**f) Provisions**

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

**g) Income Tax****a) Current Income Tax**

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

**b) Deferred Tax:**

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

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

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

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

**h) Leases****As a lessee**

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are classified as finance leases. Assets acquired on finance lease are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. Finance lease are measured at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The

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**Consolidated Notes to the financial statements for the year ended March 31, 2018**

corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

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

**As a lessor**

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

**i) Cash flow Statement**

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

**j) Earnings per share**

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

**k) Contingent Liabilities**

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

Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

**l) Borrowing Costs**

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is





**Consolidated Notes to the financial statements for the year ended March 31, 2018**

deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

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

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

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



South India Projects Limited  
Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note 4 : Property, Plant & Equipment

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2017	Additions	Disposals	Balance as at 31 Mar, 2018	Balance as at 1 April, 2017	Depreciation / amortisation expense for the year	Balance as at 31 Mar, 2018	Balance as at 31 March, 2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>								
Land	52,604	-	-	52,604	-	-	52,604	52,604
Computer & Printer	4,166,617	1,281,080	-	5,447,697	2,211,258	762,647	2,973,944	1,955,319
Office equipment	46,582	335,342	-	381,924	3,480	29,796	2,473,752	43,102
Vehicle	6,550,817	5,459,549	483,356	11,527,010	1,637,801	1,019,791	348,648	9,135,071
Furniture and Fixture	3,171,842	761,462	-	3,933,303	899,137	666,839	9,135,071	4,913,016
							2,367,327	2,272,704
<b>Total</b>	<b>13,988,461</b>	<b>7,837,433</b>	<b>483,356</b>	<b>21,342,539</b>	<b>4,751,716</b>	<b>2,479,073</b>	<b>6,965,137</b>	<b>9,236,745</b>

Previous Year

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2016	Additions	Deduction/ Adjustment	Balance as at 31 Mar, 2017	Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	Balance as at 31 Mar, 2017	Balance as at 31 Mar, 2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(A) Tangible assets</b>								
Land	52,604	-	-	52,604	-	-	52,604	52,604
Office Equipment	-	46,582	-	46,582	-	3,480	43,102	-
Furniture and Fixtures	3,078,511	-	-	3,078,511	971,652	33,545	2,073,314	2,106,859
Vehicles	5,851,377	817,160	-	6,668,537	959,729	73,688	5,635,120	4,891,648
Computer & Printer	3,743,326	653,866	-	4,397,192	2,568,970	238,678	2,807,848	1,174,356
<b>Total</b>	<b>12,725,817</b>	<b>1,517,608</b>	<b>-</b>	<b>14,243,425</b>	<b>4,500,351</b>	<b>349,592</b>	<b>9,393,483</b>	<b>8,225,467</b>
Previous year								



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## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1, 2016 Amount in Rs.
<b>Note 6 :- Other Non Current Assets (Unsecured, Considered Good)</b>			
(a) Security deposits	3,846,079	1,784,423	-
<b>Total</b>	<b>3,846,079</b>	<b>1,784,423</b>	<b>-</b>
<b>Note 7 :- Trade Receivables (Unsecured)</b>			
Considered Good	345,474,647	278,412,928	-
Considered Doubtful	-	-	-
Less : Allowance for Bad and Doubtful Debts	-	-	-
<b>Total</b>	<b>345,474,647</b>	<b>278,412,928</b>	<b>-</b>

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## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
<b>Note 8 :- Cash And Cash Equivalents</b>			
Balances with banks			
(i) In current accounts	5,378,287	609,775	-
Cash on hand	14,069	10,139	-
<b>Total</b>	<b>5,392,356</b>	<b>619,914</b>	<b>-</b>
<b>Note 9 :- Loans (Current)</b>			
Inter Corporate Deposit	88,604,342	110,530,770	-
Loan and Advances to Others	31,946,475	20,168,500	-
<b>Total</b>	<b>120,550,817</b>	<b>130,699,270</b>	<b>-</b>
<b>Note 10 :- Other Current Assets</b>			
Balances with government authorities	1,245,791	404,086	-
Prepaid Expenses	27,514,305	1,708,659	-
Advance to staff	6,150,553	2,079,149	-
<b>Total</b>	<b>34,910,650</b>	<b>4,191,894</b>	<b>-</b>

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## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

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

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1, 2016 Amount in Rs.
<b>AUTHORISED SHARE CAPITAL</b>			
3,00,00,000 (Previous Year 65,00,000) Equity Shares of Rs.10 each	300,000,000	65,000,000	40,000,000
<b>Total</b>	<b>300,000,000</b>	<b>65,000,000</b>	<b>40,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
50,33,388 (Previous Year 50,33,388) Equity Shares of Rs.10 each fully paid up	50,333,880	50,333,880	30,333,880
<b>Total</b>	<b>50,333,880</b>	<b>50,333,880</b>	<b>30,333,880</b>

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

NOTE 11 (c) :- The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is set out below

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	No. of shares held	Amount in Rs.	No. of shares held	Amount in Rs.
<b>Equity Shares</b>				
Number of shares at the beginning	5,033,388	50,333,880	3,033,388	30,333,880
Add : Further Issue of Shares on acquisition of subsidiary	-	-	2,000,000	20,000,000
Less: Buy Back	-	-	-	-
<b>Number of shares at the end</b>	<b>5,033,388</b>	<b>50,333,880</b>	<b>5,033,388</b>	<b>50,333,880</b>

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares held	% holding	No. of shares held	% holding
<b>Equity shares with voting rights</b>				
Joseph Sudheer Reddy Thumma	2,119,346	42.11%	2,119,346	42.11%
Jagan Mohan Reddy Thumma	470,000	9.34%	470,000	9.34%
Dennis Reddy Thumma	320,000	6.36%	320,000	6.36%
Innamma Reddy Thumma	320,000	6.36%	320,000	6.36%



## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1, 2016 Amount in Rs.
<b>Note 12: Other Equity</b>			
General Reserve	31,522,620	31,522,620	
Securities premium	240,000,000	240,000,000	
Statutory Reserve	10,215,456	9,314,514	
Add: Transfer from profit and loss account	2,173,510	900,942	
	12,388,966	10,215,456	
Foreign Currency Translation Reserve	177,463	24,357	
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>			
Opening balance	20,968,766	13,164,317	
Add: Profit / (Loss) for the year	44,157,188	8,705,391	
	65,125,954	21,869,708	
Less:			
Transfer to statutory reserve	2,173,510	900,942	
Interim Dividend	2,516,694	-	
Tax on Dividend	512,348	-	
	59,923,401	20,968,766	
<b>Total</b>	<b>344,012,450</b>	<b>302,731,199</b>	
<b>Note 13 :- Borrowings (Non Current)</b>			
<b>Term loans (Secured)</b>			
Vehicle Loan from financial institutions	5,281,241	3,210,257	-
<b>Total</b>	<b>5,281,241</b>	<b>3,210,257</b>	<b>-</b>
- Vehicle Loan from Cholamandalam Investment and Finance Company Ltd is to be paid in 48 equal monthly installment carrying interest rate 13% and maturity at February 2021.			
- Vehicle Loan from Kotak Mahindra Prime Ltd is to be paid in 60 equal monthly installment carrying interest rate 9.52% and maturity at January 2023.			
<b>NOTE 14 :- Deferred Tax Liability (net)</b>			
<b>Tax effect of items constituting deferred tax liability</b>			
On account of fixed assets	190,354	84,508	-
<b>Total</b>	<b>190,354</b>	<b>84,508</b>	<b>-</b>
<b>Note 15 :- Borrowings (Current)</b>			
<b>Secured</b>			
Line of Credit - Santendar Bank ( All the assets of the company are pledged as collateral towards the line of credit including unlimited guarantee of the shareholders)		61,627,857	
<b>Unsecured</b>			
From Director	325,000	-	-
<b>Total</b>	<b>325,000</b>	<b>61,627,857</b>	<b>-</b>
<b>Note 16 :- Other Financial Liabilities (Current)</b>			
(a) Current maturities of long term borrowings	1,462,410	809,990	-
<b>Total</b>	<b>1,462,410</b>	<b>809,990</b>	<b>-</b>



## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at March 31, 2018 Amount In Rs.	As at March 31, 2017 Amount In Rs.	As at April 1, 2016 Amount In Rs.
<b>Note 17 :- Provisions (Current)</b>			
Provision for Standard Assets	221,511	-	-
<b>Total</b>	<b>221,511</b>	<b>-</b>	<b>-</b>
<b>Note 18 :- Other Current Liabilities (Current)</b>			
(a) Statutory liabilities	673,432	461,056	-
(b) Salary Payable	197,537,434	103,565,107	-
(c) Other Payable	1,015,544	820,351	-
(d) Advance from customer	6,846,932	3,532,407	-
<b>Total</b>	<b>206,073,342</b>	<b>108,378,921</b>	<b>-</b>

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Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

PARTICULARS	2017-2018 Amount in Rs.	2016-2017 Amount in Rs.
<b>Note 19: Revenue from operations</b>		
Service Income	1,603,927,764	189,263,201
Interest Income	7,342,101	7,417,315
Gain on Sale of Investments	-	3,339
<b>Total</b>	<b>1,611,269,865</b>	<b>196,683,855</b>
<b>Note 20 :- Employee Benefit Expenses</b>		
Salary, wages, bonus and allowances	1,264,392,556	148,242,419
Contribution to Provident Fund and Other Funds	1,378,370	1,015,182
Employee welfare and other amenities	90,223,343	13,319,283
<b>Total</b>	<b>1,355,994,268</b>	<b>162,576,884</b>

*Sd/-* *Al-K.*



## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

PARTICULARS	2017-2018 Amount in Rs.	2016-2017 Amount in Rs.
<b>Note 21 :- Finance Costs</b>		
Interest on Vehicle Loan	1,972,109	395,289
<b>Total</b>	<b>1,972,109</b>	<b>395,289</b>
<b>Note 22 :- Other Expenses</b>		
Audit Fees	190,000	125,000
Bank charges	777,901	156,036
Software Consultancy & Development charges	88,341,217	4,796,954
Other miscellaneous Expenses	28,089,225	3,486,837
Advertisement & Business Promotion	87,270	170,330
Professional Fees	5,397,008	549,630
Rates & Taxes	3,426,031	-
Rent Expenses	25,712,779	5,761,022
Telephone & Internet Charges	3,507,074	770,874
Insurance Vehicle	3,187,434	23,134
Electricity Expenses	918,591	757,338
Foreign Exchange Fluctuation	34,382	-
Printing Expenses	481,912	59,786
Repairs & Maintenance	7,031,707	215,005
Loss on sale of Assets	172,590	-
Provision for Standard Assets	221,511	-
Conveyance & Travelling	13,846,634	2,363,305
<b>Total</b>	<b>181,423,266</b>	<b>19,235,250</b>

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## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

## 23 Related party transactions

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

## 23.1 Relationships during the year

## (A) Key Managerial Personnel

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

## 23.2 Related party transactions

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

Particulars	March 31, 2018	March 31, 2017
<b>Director Remuneration</b>		
Jagan Mohan Reddy Thumma	480,000	438,328
Sanjay Mahendra Chauhan	2,160,000	1,650,000

*Reddy* *Al. K.*





## Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

## 24 Earnings per share

Particulars	March 31, 2018	March 31, 2017
Net profit after tax as per statement of profit and loss	44,157,188	8,705,391
Weighted average number of equity shares outstanding during the year	5,033,388	3,121,059
Nominal value per equity share	10	10
Basic & Diluted Earnings per share	8.77	2.79

- 25 In the opinion of the Board, the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet.
- 26 On the basis of the information available with the company, there are no micro and small scale business enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2018.
- 27 **Previous Year figures**  
Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

## From true extract of Books of Accounts

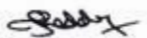
For D. Kothary & Co  
Chartered Accountants  
Firm Registration No. 105335W

  
Vipul N. Chauhan  
Partner  
Membership No.: 047846

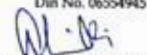
Place: Mumbai  
Date: 28th May 2018



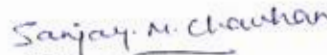
For and on behalf of Board of Directors



Man Mohan Reddy Thumma  
Managing Director  
Din No. 06554945



Nikitha Tiparnapally  
Independent Director  
Din No. 07399613  
Place: Hyderabad  
Date: 28th May 2018

  
Sanjay Chauhan  
Chief Financial Officer  
Pan No. AFLPC7749G

37<sup>th</sup> Annual General Meeting  
**SOUTH INDIA PROJECTS LTD**  
**[CIN: L72100WB1981PLC034342]**

Registered office: 5 & 6, Fancy Lane, Kolkata - 700001, West Bengal, India.  
Corp. office: #164, Survey No. 48, 4th Floor, Kavuri Hills, Madhapur, Hyderabad,  
Telangana – 500081, India.

Telephone No.: 040-43366058

Email: soothindiaprojectslimited@gmail.com | Website: www.southindiaprojectslimited.in

**Form No. MGT-11**

**FORM OF PROXY**

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

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

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

I/We, being a member(s) of \_\_\_\_\_ shares of South India Projects Ltd hereby appoint:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, September 29, 2018 at 03.30 pm (IST) at 5 & 6, Fancy Lane, Kolkata - 700001, West Bengal, India and at any adjournment thereof in respect of such resolutions as are indicated below:

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

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

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

Signature(s) of the Member(s)

1. \_\_\_\_\_  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_

Affix One  
rupee  
Revenue  
Stamp

**Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018**

**Notes:**

1. The Proxy to be effective should be deposited at the registered office of the company at least 48 hours before the commencement of the Meeting at 5 & 6, Fancy Lane, Kolkata - 700001, West Bengal, India.
2. A proxy need not be a member of the company.
3. In the case of the Joint holders, the vote of the senior who tenders vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of the Members.
4. The form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

**Attendance Slip**  
37<sup>th</sup> Annual General Meeting  
**SOUTH INDIA PROJECTS LTD**  
[CIN: L72100WB1981PLC034342]

Registered office: 5 & 6, Fancy Lane, Kolkata - 700001, West Bengal, India.  
Corp. office: #164, Survey No. 48, 4th Floor, Kavuri Hills, Madhapur, Hyderabad,  
Telangana – 500081, India.

Telephone No.: 040-43366058

Email: soothindiaprojectslimited@gmail.com| Website: www.southindiaprojectslimited.in

Date	Venue	Time
September 29, 2018	5 & 6, Fancy Lane, Kolkata - 700001, West Bengal, India	03:30 PM (IST)

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

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

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

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

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

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

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company held on Saturday, September 29, 2018 at 03:30 PM (IST) at 5 & 6, Fancy Lane, Kolkata - 700001, West Bengal, India.

**Signature of the Member/ Proxy**

*Note: Electronic copy of the Notice of the 36<sup>th</sup> Annual General Meeting with the Attendance slip and Proxy form is being sent to all the members whose email id is registered with the Company/ Depository Participant unless any meeting has been requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.*

*Physical copy of the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email Id is not registered or has requested for hard copy.*

**Details of Directors seeking appointment / re-appointment at the Annual General Meeting**  
**[In pursuance of Regulation 36 of the SEBI (Listing Obligations and**  
**Disclosure Requirements), Regulations, 2015]**

<b>Name of Director</b>	Mr. Jagan Mohan Reddy Thumma
<b>Age</b>	41 years
<b>Nature of expertise</b>	He has an overall experience of around 19 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.
<b>Qualification</b>	MBA
<b>Disclosure of relationships between directors inter-se</b>	Brother of Joseph Sudheer Reddy Thumma
<b>Directorship and Membership in the committees of other listed Companies</b>	No
<b>Shareholding of Directors</b> (As on March 31, 2018)	4,70,000

## This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting or typing. There are no margins, text, or other markings on the page.

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