



**XTGLOBAL**

# **XTGLOBAL INFOTECH LIMITED**

(FORMERLY FRONTIER INFORMATICS LIMITED)

**33<sup>rd</sup>**

**ANNUAL REPORT**

**2020 - 21**

## CORPORATE INFORMATION

### Board of Directors

1. Mr. Mullapudi Atchuta Ramarao
2. Ms. Vuppuluri Sreedevi
3. Mr. Venkata Madhusudhana Rao Paladugu
4. Mr. Venkata Appala Narasimha Raju Kalidindi
5. Mr. Jagannatha Prasad Malireddy
6. Mr. Saibaba Karuturi
7. Mr. Srinivasa Raju Kosuri
8. Mr. Sreenivasa Rao Potti
9. Mr. China S N Murthy Anupindi

Managing Director  
 Whole-time Director  
 Independent Director  
 Independent Director (Appointed on 16.08.2020)  
 Non-Executive Director (Appointed on 16.08.2020)  
 Independent Director (Appointed on 06.11.2020)  
 Non-Executive Director (Appointed on 08.12.2020)  
 Independent Director (Upto 30.09.2020)  
 Independent Director (Upto 23.07.2020)

### Chief Financial Officer

Mr. Raghuram Kusuluri

### Company Secretary & Compliance Officer

Ms. Shikha Gangrade

### Statutory Auditors

Niranjan & Narayan,  
 Chartered Accountants,  
 Hyderabad.

### Secretarial Auditor

VCSR & Associates,  
 Practicing Company Secretaries,  
 Hyderabad.

### Bankers

ICICI Bank, Jubilee Hills branch, Hyderabad

### Registered Office

Plot No 31P & 32, Tower-A, 3<sup>rd</sup> Floor,  
 Ramky Selenium, Financial District,  
 Nanakramguda, Hyderabad – 500 032.  
 Ph No: 040-66353456  
 E-mail Id: [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com)

### Stock Exchanges Where Securities are Listed

BSE Limited

### Registrar and Share Transfer Agent

KFin Technologies Private Limited  
 Plot No 31P&32, Selenium, Tower – B,  
 Financial District, Nanakramguda,  
 Hyderabad – 500 032.  
 Phone: +91-040-67161530  
 E-mail Id: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

### DEMAT ISIN Number in CDSL & NSDL

INE547B01028

### Corporate Identification Number

L72200TG1986PLC006644

### Website

[www.xtglobal.com](http://www.xtglobal.com)

### Investor E-mail ID

[company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com)

**AUDIT COMMITTEE:**

1. Mr. Venkata Appala Narasimha Raju Kalidindi - Chairperson
2. Mrs. Vuppuluri Sreedevi - Member
3. Mr. Venkata Madhusudhana Rao Paladugu - Member

**NOMINATION & REMUNERATION COMMITTEE:**

1. Mr. Saibaba Karuturi - Chairperson
2. Mr. Venkata Appala Narasimha Raju Kalidindi - Member
3. Mr. Venkata Madhusudhana Rao Paladugu - Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

1. Mr. Saibaba Karuturi - Chairperson
2. Mrs. Vuppuluri Sreedevi - Member
3. Mr. Jagannatha Prasad Malireddy - Member

# MANAGING DIRECTOR'S MESSAGE

***“IN THE TIMES OF CRISIS, WE SHOULD SEE THE OPPORTUNITY TO RISE AS CHAMPIONS.”***

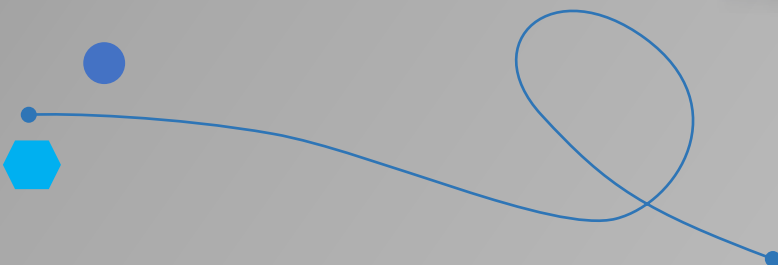
It was a turbulent year for sure! The winds of change have pervaded every aspect of our lives. But, in times of crisis, we should see the opportunity to rise as champions. Amid the pandemic, we learned one thing for sure, that our fundamental values have never been more critical. We have stood by each other and devoted ourselves to handle dynamic business demands.

At XTGlobal, we constantly challenge the status quo to anticipate the next challenge or opportunity and stay agile. To summarize XTGlobal's performance in the past year, I can say that when confronted with unprecedented challenges, we responded to the changing business and customer requirements by evolving and adapting. XTGlobal has demonstrated its ability to remain aligned with its goals and maintain the highest levels of customer service in all scenarios.

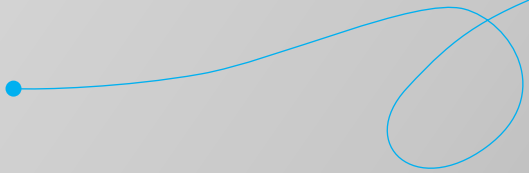


**Mr. Ramarao Atchuta Mullapudi**

Managing Director







**Top 3 Priorities to Perform like Champions:**

**Rethinking & Redefining Technology:**

As we continue to persevere, adapt, and flourish in the world of technological advancements, we will augment our capabilities to further our digitization initiatives.

**Being Resilient & Trust-Worthy:**

Team XTGlobal has maintained the trust of our clients and preserved high levels of performance. We will walk this path in the future too.

**Supporting Our People:**

Although it was pretty demanding, Team XTGlobal has been working remotely and juggling work amidst personal and family obligations. We appreciate and value our workforce for their sincere endeavours.

# CHARGING FORWARD IN THIS YEAR

With all the challenges faced and lessons learned, we are now competent to manage the situation better. We can see the light at the end of the tunnel; XTGlobal will continue to innovate and expand its product portfolio to offer the best solutions. Let us promote the technological progress the world needs through digitization, automation, and cloud computing.

I extend a sincere appreciation to our Board of Directors for their strategic guidance; our customers, partners, and suppliers for the trust they placed in us; our shareholders for their support and confidence; and our employees for their dedication.



## YEAR AT A GLANCE

XTGlobal's deep knowledge of our clients' processes and systems provides us with a significant advantage as we work with them to build new digital capabilities to make their operations more efficient, effective, and modern.

In alignment with XTGlobal's strategy to provide our clients with advanced technological support, we have invested in four key areas of digital transformation: Cloud (Oracle, MS Azure, AWS), RPA (UiPath, Automation Anywhere), Rapid Application Development (Mendix/Siemens) and AI/ML/Analytics. These capabilities enable our clients to improve on their data-driven decision making, build new functionalities within their product lines, and tap into new revenue streams. They can defend better against technology-enabled competitors, reduce costs, and scale up or down as per requirements.

XTGlobal strives to create modern frameworks, platforms and solutions that leverage a wide range of digital technologies across our clients' businesses to deliver higher levels of efficiency and new value for their customers. For instance, we have used AI/ML, Oracle's APEX platform, and many such tools to improve performance and efficiency of Circulus AP Automation solution. This improved onboarding of new customers with shorter implementation times, made the approval workflows more robust and customizable, enhanced dashboard capabilities, improved response times, and provided a better user-experience. These enhancements have brought in **40** new Circulus clients during 2020-2021.

### XTGlobal's growth strategy is focused on:

- Investments in process improvements and digital capabilities
- Successful recruiting, training, and retention models
- Offshore/Onshore/Onsite delivery models
- Focus on clients' requirements, quality, and competitive pricing
- Good corporate governance and financial stability
- Continued investment in project management and technical expertise

Furthermore, building on our internal ability and digital infrastructure has allowed XTGlobal's employees to work from anywhere seamlessly and with high productivity. We have shown by example that being a Live Enterprise is all about imbibing agile practices and investing in digital skills for our workforce.

### BUSINESS ACHIEVEMENTS

XTGlobal's continued investment in advanced technologies and partnerships have helped the company drive growth even in difficult times. As the urgency to move to the Cloud increased for enterprises across the world, XTGlobal managed to meet the new demand with its own capabilities as well as right investments in Cloud partnerships at the right time. Our capabilities in emerging technologies such as Low-code application development and Automation have also enabled us to meet our clients' requirements quickly and efficiently.

For XTGlobal, 2020-2021 has seen a positive growth in terms of revenues as well as profit with an increase of 92.13% YoY in Revenue from Operations and a Net Profit of 36.18% as on March 31, 2021.



## TREADING THE TOUGH TERRAIN LIKE A CHAMPION

Fortunately, we are in the technology and digitization sector that is easing the lives of people and helping them deal with the challenging market environment efficiently. Though the crisis is far from over, we are seeking new business opportunities, rising up to the challenges while keeping a keen eye on the risks.



### COINING NEW FOCAL POINTS FOR NEW PRIORITIES

As we stride forward with an unwavering pursuit of excellence, we have decided to set our eyes on two new focus areas that are like two sides of the same coin:

**COMPETENCE:** On one front, we are determined to demonstrate organizational competence. XTGlobal has been driving innovation that resonates with the customer's aspirations. Building technology capabilities is our strength, and we will boost it further. Quality client service will be our top priority, with no compromise on professionalism. We have realigned our goals and enhanced our competence in all directions, be it world-class infrastructure or enhancements in our products and services.

**COMPASSION:** On the other side of the coin is empathy for all the individuals we work with. Our people have worked relentlessly during the biggest global crisis modern human history has seen. We support and encourage safety and wellness for all through sanitization and safety protocols.

All in all, we have a conviction to work with thoughtfulness and win by revolutionizing technology. We will measure our success in terms of XTGlobal's positive impact on its clients, stakeholders as well as the employees.



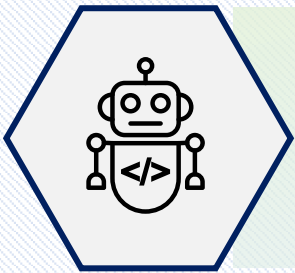
## THE YEAR AHEAD

Technology trends have significant potential to drive disruption and deliver opportunity. The ability to successfully leverage digital disruption could be the difference between thriving and failing. Understanding the impact of new technologies will show how we can use them in innovative ways.

IT has the ability to change the way companies compete. From a supporting role in the back office to making strategic data-driven decisions, companies can seize this advantage to gain a sustainable edge in the future.

As a technology-driven company, XTGlobal believes in making IT a competitive advantage for our customers. As the distinction between makers and users of technology blurs, every company is a tech company. Cloud-based IT capabilities are giving even the smaller organizations the capabilities of IT giants at a competitive price.

To give our customers the advantage from their IT investments, XTGlobal has identified certain areas that deliver the greatest value and has decided to make these the areas of focus for the next year:



### Robotic Process Automation:

The last few years have shown that the greatest benefit from IT investment comes when it also involves rewiring of the organization's internal processes. Intelligent automation of back-office functions with RPA tools makes processes more efficient, faster, and cheaper.

### Data Analytics:

Companies that analyze and use past data as insights for decision making tend to be more successful. Sieving through millions of data bytes or making data available real-time to all stakeholders can make a significant difference.



### Rapid Application Development:

XTGlobal has partnered with Mendix, a low-cost application development platform that prioritizes rapid prototype releases and iterations. RAD not only accelerates the application development process but also has several advantages like better flexibility and adaptability, quicker iterations, less coding, shorter testing times, and better risk management.

### BOLT and ODTP

The Build-Operate-Lease-Transfer and On-Demand Talent partnership models offer agility and reliability to enable organizations to focus their efforts on growth. It gives them the advantage of having access to world-class talent and resources at short notice to reduce their TAT and reduce operational costs.





## MESSAGE FROM THE BOARD OF DIRECTORS



**Ms. Vuppuluri Sreedevi**  
Whole-time Director



**Mr. Venkata Madhusudhana Rao  
Paladugu**  
Independent Director



**Mr. Venkata Appala Narasimha  
Raju Kalidindi**  
Independent Director



**Mr. Jagannatha Prasad  
Malireddy**  
Non-Executive Director



**Mr. Saibaba Karaturi**  
Independent Director



**Mr. Srinivasa Raju Kosuri**  
Non-Executive Director



Dear Shareholders,

2020-2021 has been all about changing our business and operating models to suit the New Normal. While our core values have remained the same, we have shifted our focus on to new learnings to enhance what we have to offer to our clients. From adopting new technologies to hiring new expertise, we have augmented our services and solutions to suit clients' and markets' changing expectations. We strongly believe that the investments we make today will help us to target new markets with more confidence.

The Board of Directors are deeply thankful to you, our shareholders, for continuing to place your trust in us during these challenging times. We are always ready to expand our product/service portfolio, transform our business models, empower our resources, and develop new partnerships, to create sustainable and consistent growth for XTGlobal Infotech. We hope for your continued support in driving XTGlobal Infotech's growth in the future as well.



## CHAMPIONS OF SOCIAL RESPONSIBILITY

While we are in the process of unearthing new ways to emerge stronger, we are also doing our best to conserve our environment and strengthen the communities around us. We are mindful of our actions and sensitive towards the impact that each corporate protocol can have on the environment.

### Safeguarding the Environment. Safeguarding the Employees.

#### Safeguarding the Environment

At XTGlobal, we strive to encourage environment-friendly practices in our everyday operations. We promote paperless processing through office operations as well as through our products! It is recommended to print only when necessary.



All the admin processes like cleaning, pantry activities are planned with a goal to preserve natural resources. For instance, energy-efficient equipment is procured, natural light is preferred when available, food wastage is minimized, and biodegradable cleaning solutions are used. Disposable products that take several years to decompose are discouraged. Whether it is the office supplies or cafeteria operations, we ensure optimal utilization of resources.

We are mindful of our waste disposal procedures and educate our workforce to minimize and segregate plastic, metal, and biodegradable waste.

#### Safeguarding the Employees

Our employees are maintaining an exceptionally agile response to the needs of the business even against a tough operating backdrop! XTGlobal follows top-notch sanitization protocols and enables remote work to reduce the spread of the virus. We have been consistently sending informational communication, work-from-home recommendations, and good wishes to keep our employees motivated during the pandemic.



XTGlobal respects and values its workforce. Our employee policies are aligned to promote a healthy work-life balance. We provide the personnel with ample exposure to showcase their talent and polish their skills. Our management makes a sincere attempt to accommodate employee needs and feedback. Also, we are honest about our expectations and constraints.

Thus, we foster an environment that facilitates employee well-being, safeguards the environment, promotes growth for all communities we touch and promises a sustainable tomorrow.

## INNOVATION AND R&D

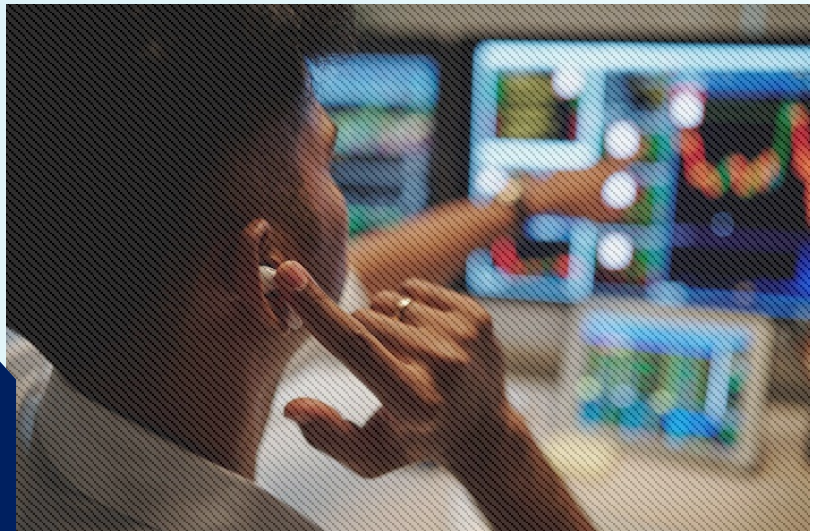
Digital systems have become the backbone of organizations in the new normal. Replacing existing legacy systems with new digital capabilities is the need of the hour as a result of increased demand for mobile workplace solutions, e-commerce, automation, and secure services and solutions.

The pandemic has triggered an accelerated adoption of AI and data to automate processes and operations on every scale. Big Data, Applied AI, Rapid Application Development and Machine Learning came to the rescue in creating faster solutions virtually overnight. Customers too willingly allowed AI to make decisions, powered by masses of data with powerful computing abilities.

2020 was unpredictable but it has produced the fastest digital transformation to have ever been predicted. The last year alone changed businesses more than the last decade did, shifting priorities and letting emerging technologies align with business initiatives. Uncompromising data security and 24/7 connectivity were the driving trends that supported the only viable options such as Work-From-Home or enabling secure deliveries within limited hours.

XTGlobal, as a driver of digital transformation, has embraced this shift and helped our clients reach new possibilities by adopting new technologies efficiently and effectively. By investing in key technologies such as Cloud Computing, RPA, and Rapid Application Development with Low-code tools, XTGlobal managed to accelerate application development and Cloud enablement for our clients. Our partnerships with Oracle, AWS, Microsoft, UiPath, Mendix, and Automation Anywhere gave us the ability to orchestrate and deliver the technology transformation driven by Cloud. This ability to adapt and adopt has made XTGlobal the partner of choice for our clients.

With regards to our Circulus AP Automation solution, our team has worked on several enhancements to make it more customizable for our clients. The performance of the Circulus web application has been improved for faster response times and more robust approval flows. We have also worked on enhancing the customer experience with user friendly screens and features for both Android and iOS version of the Circulus mobile application. We are pleased to inform that the Circulus platform has been extended to Sage Intacct and Sage 300 users.



Currently our focus is on integrating AI and Machine Learning into Circulus' OCR technology to improve the turnaround on data extraction. The dashboard capabilities have also been revamped with Oracle APEX platform and we have added additional functionalities like the *Admin* tab for delegation and document reassignment. We promise to minimize implementation time as much as possible by creating integration templates for various ERPs.



## XTGLOBAL - AN EMPLOYEE-CENTRIC ENTERPRISE

XTGlobal understands the benefits of having a great company culture that promotes employee satisfaction and happiness. In these times of uncertainty, it is even more imperative for companies to instill a certain level of belongingness and hope.

XTGlobal's HR initiatives are designed with the best interests of our employees in mind. We believe in investing in employee engagement because we recognize that employee satisfaction and morale matter to attract superior talent.



**Work-from-Home:** In response to the rising levels of the Corona Virus pandemic in March 2020, XTGlobal proactively approved Work-from-Home to limit employees' exposure to the virus.

**Advance Covid Leaves:** XTGlobal offers advance leaves of up to 10 days for those employees who have been affected by the Covid-19 virus.



**Vaccination Drive:** XTGlobal will reimburse the cost of 2 doses of vaccine for employees (up to Rs. 3000). We are also holding corporate vaccination drives in both Hyderabad and Visakhapatnam to help employees gain easy access to the vaccine.





## BUSINESS OF THE COMPANY

At XTGlobal, we use IT acumen and innovation to help businesses, both big and small, to drive their digital processes. Companies that embrace digital transformation at the right time proactively get to stay ahead in the race manage to overcome any challenge that comes in the way. A support partner that can understand a company's core business, functionalities, processes, workflows, systems, and operations will be able to craft customized solutions which give the company a unique competitive advantage to thrive in a new business world. XTGlobal can be such a partner because our core competency lies in contextual knowledge, sustainable investment in resources and deep customer relationships. Over the last 22 years, XTGlobal has been offering Business Process Solutions to make enterprises more efficient in their operations by giving them the ability to use latest technologies in their solutions. Our expertise in both Cloud and On-premise technologies as well as advanced tools such as Low-code Application Development and Automation gives our clients the benefit of advancements at all levels, helping them derive value from their IT investments.

### Circulus AP Automation and BPO Services

XTGlobal, under the Circulus brand name, offers cloud-based Enterprise and Small & Medium Business Accounts Payable automation solutions to advance AP automation from standard procedure to strategic web-based powerhouse. We offer nonvoice business process outsourcing solutions using both technology and human brainpower to create powerful automation engines. Our methodology allows for scalability of even the most complex business rules and workflow needs.

## XTGLOBAL'S SERVICES AND OFFERINGS

XTGlobal is a trusted tech partner providing digital solutions to growing organizations. Our offerings are built on a wide range of technologies, solutions, and systems.

XTGlobal provides advanced digital solutions to achieve enriched capabilities for both existing applications as well as for developing new applications. Whether it is a public cloud or on-premise or a combination, there are no limits to creating a connected, intelligent enterprise in a most secure and cost-effective way.

### Enterprise Solutions:

#### Cloud: Oracle, AWS, MS Azure

- IaaS
- PaaS
- SaaS
- TaaS

#### Oracle On-Premise:

- E-Business Suite
- Custom Applications
- Administrative Services

#### Support Services:

- Implementations
- Upgrades
- Migrations
- Integrations
- Analytics
- Managed Support Services
- Enterprise Cloud Service

## Software Services and Application Development:

### Solutions

- Application Transformation: Legacy System Modernization, API and Integration
- Robotic Process Automation with **UiPath** and **Automation Anywhere** Platforms
- Cloud and Infrastructure: Development and Integration, Cloud Migration with **Oracle, AWS, and MS Azure** Cloud Platforms
- Application Development with **Mendix** Low-Code Platform

### Services

- Digital Business Services: Enterprise Mobility, Mobile Applications
- Quality Assurance
- Managed Services
- Product Engineering

### Circulus Process Outsourcing and AP Automation Services

- Accounts Payable Solutions
- Document Management & Approval Workflows
- Data Extraction
- Robotics/Touchless PO Matching
- ERP Integration
- Payments Processing
- Process Outsourcing

### Managed Support Services

- Cloud Lifecycle Management
- Application Managed Services
- Database Support
- Robotics/Touchless PO Matching
- Incident and Problem Management Support
- Change and Release Management Support
- On-Demand Support

## OUR LEADERSHIP

At XTGlobal, we believe in the principles of inclusion and strategic collaboration. Each of our leaders is committed to driving success both within and beyond their teams, contributing to enterprise wide growth and success. Our commitment to diversity is reflected in our leadership which comprises of individuals with varied backgrounds in race, ethnicity, culture, nationality, experience, strength, and perspectives.



**ALMA JOHN**

Executive Vice President -  
Consulting Services



**GANGADHAR SHARYALA**

Vice President - Product  
Development



**DIANE GASPARRO**

Vice President - Sales



**RAVINDRA DUNNA**

General Manager - IT & BPO



**MURTHY ANUPINDI**

GM -Business Development



**RAGHURAM KUSULURI**

Chief Financial Officer



**MARK COURSON**

Vice President - Client  
Solutions



**BHARAT RAMPALLY**

Vice President – Oracle  
Practice



**GANESH DURAIRAJ**

Vice President – IT Services



**VIJAYRAM DUNNA**

Deputy General Manager -  
Product Development



**PAVAN CHALLA**

Deputy General Manager -  
IT Services



**VENKATA NIMEESHA POSA**

Deputy General Manager –  
Marketing



**SHIVA AMMU**

Deputy General Manager -  
Inside Sales



**SUBBA RAO V V S S**

General Manager - HR &  
Admin



**SIVA PAVAN KUMAR  
KHANDRIKA**

Deputy General Manager -  
Human Resources (USA)



**RAJA SEKHAR KUNKUMA**

Deputy General Manager -  
US Staffing Services



**VENKATA REDDY  
VANUKURI**

Deputy General Manager -  
Finance & Accounts



## CASE STUDIES

### PRODUCTIVITY MONITORING SYSTEM IN OIL AND GAS CONSTRUCTION INDUSTRY

#### Customer Story:

A Construction company in the Oil and Gas sector in Asia was dependent on a desktop application and Google Sheets to track productivity in the field. They wanted a web-based application that allows users to update productivity information from anywhere and update on a real-time basis

#### Solution:

XTGlobal developed a Cloud-based Productivity Monitoring System (PMS) based on a simple MVP (Minimum Viable Product) model so that the application can be developed quickly. Using a Cloud-based model, the solution allowed the client to access real-time data about the lost time hours, re-work hours and actual work done.

#### Key Highlights:

Solution Implemented within

**6 Months**

Architecture supports thousands of users simultaneously.

### PROCESS AUTOMATION USING CIRCULUS AP AUTOMATION AND AWS Textract

#### Customer Story:

A BPO (Business Process Outsourcing) company was using a manual process to enter data from invoices into clients' AP Automation system. Entering and validating the invoice data against the Purchase Order was time-taking, tedious, and error-prone task.

#### Solution:

XTGlobal used Circulus AP Automation solution to automate the data-entry and the PO-Matching process. Neural Net using AWS Textract Service was used to extract invoice data from images/pdf files and load it into the AP Automation process. The extraction process was customized as per clients' requirements by sourcing invoice fields, identifying the number of layers and node configurations, and auto-identifying labels for each invoice type.

#### Key Highlights:

**95%** Target Accuracy

**99%** Confidence Level for the Extracted Data

## BIG DATA ANALYTICS FOR HEALTHCARE SOLUTIONS

### Customer Story:

A provider of solutions for the Therapy and Rehab Management market was looking for support with its data analytics. Since the solutions were based on advanced predictive modelling and real-time analytics, the client needed expertise in technologies such as Big Data, BI, data warehousing, and application development.

### Solution:

XTGlobal designed SQL Data Warehouses and leverage Power BI for a visual representation for the numbers. A web application was also developed using Angular and .Net Core RESTful API. Using XTGlobal's offshore resources, XTGlobal came up with a quick and effective data analytics solution for the client within the timeline and budget. An MS SQL expert who was experienced in ERP and Analytics was also provided to support the client's core team.

### Key Highlights:

Real-time Big Data Analytics Solution

Offshore Tech Talent Support with BOLT

## XTGLOBAL GIVES TRANSPORTATION SOLUTIONS PROVIDER THE POWER TO ZOOM WITH OCI MIGRATION

### Customer Story:

A leading provider of innovative technology solutions for the toll and transportation market in the USA was dependent on its On-Premise environments and platforms that were unable to keep up with the pace of transformation. Apart from cutting costs, the client was looking for other benefits to move to the Cloud infrastructure instead of upgrading the On-Premise infrastructure.

### Solution:

XTGlobal helped the client move the client's application servers and databases to Oracle Cloud. Using the Lift and Shift approach, XTGlobal successfully migrated the Client's applications and databases to OCI without affecting their functionality. They could migrate On-Premise workloads, e custom and third-party applications to OCI with minimal re-architecture or reintegration.

### Key Highlights:

**20** Applications Moved to OCI Cloud

**12** Databases Moved to Oracle Cloud.

## EXPANDING FUNCTIONALITIES WITH LOW-CODE APPLICATION DEVELOPMENT PLATFORMS

### Customer Story:

The client is a leading provider of innovative technology solutions for the toll and transformation industry. The client was using an ERP system that had a unified suite of tolling-specific modules, integrated with commercial off-the-shelf applications (COTS), providing complete account management and automated operations of tolling back-office service functions. It was looking to expand the functionalities of this platform.

### Solution:

XTGlobal used Mendix low-code platform and tools to add incremental functionalities to the client's application platform. Using an Agile methodology, four core modules were added or enhanced (Online Customer Service, Accounts Receivables, Account Creation, Reporting) that enhanced the application's functionalities significantly.

### Key Highlights:

Average Account Creation Time  
Reduced to

**3 Minutes**

Low-code enabled quicker application development time for the new modules and functionalities.

## INTEGRATION SOLUTIONS IN MICROSOFT AZURE CLOUD

### Customer Story:

Access to real-time data is critical for CPA firms to be able to derive solutions for their clients. A leading CPA firm needed a secure, robust solution to automate the end-to-end data delivery with integration to a third-party API. They also needed an application that automated retrieval of the financial data from Yodlee API.

### Solution:

XTGlobal used MS Azure's robust and secure servers, databases and required infrastructure to develop a solution for the client. Using a Rapid Application Delivery (RAD) Model, XTGlobal came up with a customer portal using Azure App Service, Azure SQL Database, and Azure Repos. It designed an integration solution that made data retrieval from Yodlee API as well as authentication easy and secure.

### Key Highlights:

**4X**

Faster Customer Onboarding

**440+**

Hours Saved annually by Automating Financial-Data-Sourcing Process

## PUBLISHING COMPANY AUTOMATES LEGACY BILLING AND REPORTING PROCESSES

### Customer Story:

A leading publishing company was using legacy systems and manual processes for its reporting and billing operations which was time consuming and tedious. Using basic tools like AS400, Excel and Outlook, the team was performing data entry and emailing work manually.

### Solution:

XTGlobal used UiPath tools to create an automation solution within 2 months that helped the company save both resource time and costs. The entire process was designed to be run in one hour and the BOT was deployed into UiPath Orchestrator for easy monitoring and maintenance.

### Key Highlights:

4

FTEs that were involved in the process part-time could be freed from manual tasks.

Client saved

**\$50,000**

annually after automation.



## CERTIFICATIONS & ACCREDITATIONS



## PARTNERSHIPS



## NOTICE

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of M/s. XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) will be held at 10:30 AM on Wednesday, the 29<sup>th</sup> day of September, 2021 through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS:

#### 1. **Adoption of Audited Financial Statements**

To receive, consider and adopt the Audited Standalone and Consolidated Balance Sheet as at March 31, 2021, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2021 along with schedules and annexure and the reports of the Board of Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** the audited Standalone and Consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted."

#### 2. **To appoint a director in place of Mr. Jagannatha Prasad Malireddy (DIN: 08835457), who retires by rotation, and being eligible, offers himself for re-appointment.**

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

**"RESOLVED THAT** Mr. Jagannatha Prasad Malireddy (DIN: 08835457), Director who retires by rotation in accordance with section 152(6) of the Companies Act, 2013 be and is hereby re-appointed as a Director liable to retire by rotation."

#### 3. **Appointment of Statutory Auditors**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. C. Ramachandram & Co., Chartered Accountants (Registration No. 002864S), be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this Meeting to hold such office for a period of five years till the conclusion of the Thirty Eighth Annual General Meeting, at a remuneration of Rs. 2,40,000/- (Rupees Two Lakhs Forty Thousand Only) to conduct the audit in one or more instalments plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred and as may revised time to time with the approval of Audit Committee and the Board."

**SPECIAL BUSINESS:****4. Ratification of Non-Disclosure of Information related to Resolution Passed for Acquisition of 44.33% stake in Network Objects Inc. by way of swap of Equity shares through Preferential Allotment, on 31<sup>st</sup> December, 2020 at EGM**

The Company has obtained consent of members of the Company as a Special Resolution at the Extraordinary General Meeting held on 31<sup>st</sup> December, 2020. Thereafter in compliance with Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has filed the application for 'In-Principle' approval with Stock Exchange where the shares of the Company are listed (BSE Limited) for its approval for the proposed Preferential issue, before proceeding for allotment and Listing Application.

On 01<sup>st</sup> February, 2021 the BSE has accorded its consent for the proposed Preferential Allotment and issued an In-Principle approval letter with a condition to ratify non-disclosure of information. BSE has observed that certain deficiencies in the disclosures made to the members, related to said Preferential allotment, in the Explanatory Statement to the notice of EGM as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and the BSE In-Principle approval stipulated a condition that your Company is required to ratify the said non-disclosure of information related to

- a) post number of shares for non-promoter allottee, namely Srinivasa Raju Kosuri and Sagi Jagadesh Chandra Varma, as per requirement of Regulation 163(1)(f) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
- b) disclosure of the correct valuation report of Mr. Sanka Hari Surya IBBI Registered Valuer dated 8<sup>th</sup> December, 2020

in the explanatory statement of notice and the said ratification shall be done before seeking listing approval of securities under this issue and the Company is required to ratify the aforesaid deficiencies in the ensuing general meeting before seeking listing approval for the shares so allotted so as to be in compliance as per requirement of Regulation 163 (3) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

In addition to the above deficiencies, the Board has identified that due to oversight, there is one more information that was not disclosed in the aforesaid notice calling for information, with regard to Valuation Report of XTGlobal Infotech Limited issued by M/s. Navigant Corporate Advisors Limited, registered Category-I Merchant Banker (SEBI Reg No: INM000012243).

The Board of Directors of your Company are recommending the above for the consideration of shareholders. As required ratified information is provided in the explanatory statement to the notice of AGM.

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

**"RESOLVED THAT** pursuant to provisions of Section 42, 62(1)(c), 186 and other applicable provisions, if any, of the Companies Act, 2013, the applicable provisions of the Foreign Exchange Management Act, 1999, and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India ("Issue of Capital and Disclosure Requirements") as amended (SEBI (ICDR) Regulations"), 2018, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the rules, regulations, notifications and circulars issued thereunder the members of the Company be and is hereby accorded consent for ratification of Non-Disclosure of Information in relation to Special Resolution passed for issue and allotment of shares on Preferential basis at an EGM of the Company held on 31<sup>st</sup> December, 2020 to the Explanatory Statement of the notice of this AGM as directed by the authorities of BSE and remaining special resolution as

passed by the members of the Company on 31<sup>st</sup> December, 2020 will be treated as intact for execution of said preferential allotment.”

#### 5. Approval of Related Party Transactions

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for sale of IT and IT consulting services or renting/leasing of Office space on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value as mentioned in the table for the financial years 2021-22 and 2022-23, provided that the said contract(s)/arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

Member’s approval is accorded for Related Party Transactions with following Related Parties:

Name of Related Party	Nature of Relationship	Nature of Transaction	Maximum Aggregate Amount of Transaction approved	Tenure of Approval
XTGlobal Inc.	Layered Subsidiary	sale of IT and IT consulting services	Rs. 50 Crores	FY 2021-22 FY 2022-23
Xenosoft Technologies (India) Private Limited	Wholly Owned Subsidiary	leasing/renting of its office space	Rs. 25 Lakhs	FY 2021-22

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

#### 6. Re-appointment of Ms. Vuppuluri Sreedevi (DIN:02448540) as Whole-time Director of the Company

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

“**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company in accordance with the provisions of Section 152, 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, Ms. Vuppuluri Sreedevi (DIN:02448540), Whole-time Director (designated as Executive Director) of the Company whose tenure of office is completed and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as Whole-time Director of the Company for a period of five years with effect from conclusion of this Annual General Meeting till

the completion of five years, who is liable to retire by rotation, on the payment of remuneration and other terms and conditions as set out below:

**Remuneration: Rs. 12.00 Lacs per annum**

**Commission: Nil**

**Other Perquisites and Benefits: Nil**

**Sitting Fees: Nil**

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Board, Nomination and Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions."

**7. Re-appointment of Mr. Venkata Appala Narasimha Raju Kalidindi (DIN:08835460) as an Independent Director of the Company**

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

**"RESOLVED THAT** in accordance with the provisions of Section 149 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Meeting hereby approves the re-appointment of Mr. Venkata Appala Narasimha Raju Kalidindi (DIN:08835460) as an Independent Non-Executive Director of the Company not liable to retire by rotation, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, for a further period of five years with effect from conclusion of this AGM."

**By order of the Board of Directors  
For XTGlobal Infotech Limited**

**Date:** 04<sup>th</sup> September, 2021

**Place:** Hyderabad

**Sd/-  
Shikha Gangrade  
Company Secretary**



**NOTES:**

- 1) In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated 13<sup>th</sup> January, 2021 read with Circulars dated 05<sup>th</sup> May, 2020, 08<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the Annual General Meeting of the Company is being held through VC / OAVM, without the physical presence of the Members at a common venue.
- 2) In compliance with applicable provisions of the Act read with the MCA Circulars and the Listing Regulations, the AGM of the Company is being conducted through VC/OAVM. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15<sup>th</sup> April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
- 3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 4) The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of this Notice.
- 5) The Member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 6) Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
- 7) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available electronically for inspection during the AGM.
- 8) In line with the Ministry of Corporate Affairs (MCA) circulars No. 17/2020 dated 13<sup>th</sup> April 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.xtglobal.com](http://www.xtglobal.com). The notice can also be accessed from the website of Stock Exchange i.e., BSE Limited.
- 9) In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the Company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are

requested to apply for consolidation of such folios and send the relevant share certificates to Kfintech (RTA) Share Transfer Agents of the Company for doing the needful.

#### 10) AGM through VC/OAVM:

Members will be provided with a facility to attend the AGM through video conferencing platform provided by Kfintech. Members can join the AGM, 15 minutes before and after the scheduled time of commencement of the AGM. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

11) In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May 2020, Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ KFinTech/ Depositories. Members may note that the Notice will also be available on the Company's website at [www.xtglobal.com](http://www.xtglobal.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of KFinTech at <https://evoting.kfintech.com>. For any communication, the Members may also send a request to the Company's investor email id: [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com).

12) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM will be provided by KFinTech.

#### 13) Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).

- a) Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
  - i) Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
  - ii) Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail re-quest at the email ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM No-tice and the e-voting instructions

- b) Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

**14) Instructions for Members for attending the e-AGM through VC/OAVM are as under:**

- i) Attending the AGM: Members will be provided with the facility to attend the AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com/> and login by using the remote e-voting credentials. The link for AGM will be available in the Shareholders/Members log-in where the EVENT and the Name of the Company can be selected.
- ii) Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided below.
- iii) Members may join the Meeting through Laptops, Smartphones, Tablets, and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge, or Firefox. Please note that participants connecting from Mobile De-vices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iv) Members who need assistance before or during the AGM may contact KFin Technologies Private Limited at Toll-Free No.: 1800 309 4001; or send an email request at the [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com)

**15) Submission of Questions / Queries prior to e-AGM:**

Members desiring any additional information or having any question or query pertaining to the business to be transacted at the e-AGM are requested to write to the Company Secretary on the Company's investor email-id i.e. [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com) from 09.00 A.M. IST on 25th September, 2021 to 05.00 P.M. IST on 27th September, 2021 so as to enable the Management to keep the information ready. Please note that, Members' questions will be answered only if they continue to hold the shares as on the cut-off date.

**16) Speaker Registration before e-AGM:**

The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com/> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from 09.00 A.M. IST on 25<sup>th</sup> September, 2021 to 05.00 P.M. IST on 27<sup>th</sup> September, 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

- 17) Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which

directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com).

#### 18) Instructions for members for remote e-Voting:

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-voting facility will be available during the following period:
  - a. Day, date and time of commencement of remote e-voting: 25<sup>th</sup> September, 2021 (9.00 A.M. IST) and ends on 28<sup>th</sup> September, 2021 (5.00 P.M. IST).
  - b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: 28<sup>th</sup> September, 2021 at 5:00 P.M.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or [evoting@Kfintech.com](mailto:evoting@Kfintech.com) However, if he / she is already registered with KFintech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

**1) The details of the process and manner for remote e-Voting and e-AGM are explained herein below:**

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

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

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1</li> </ol> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> </ol>



	<p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e. <b>KFintech</b> where the e- Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – <b>Kfintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

**Details on Step 2 are mentioned below:**

**Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number.-In case of Demat account, User ID will be your DP ID and Client ID.

However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., ' XTGlobal Infotech Limited- AGM' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [chveeru@gmail.com](mailto:chveeru@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

ii Alternatively, member may send an e-mail request at the email id [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:****Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.**

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com) Questions /queries received by the Company till 27<sup>th</sup> September, 2021 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

### 3) General Instructions/Information for Members for voting on the Resolutions at the e-AGM:

- a. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited for assistance in this regard.
  - b. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
  - c. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 22<sup>nd</sup> September, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
  - d. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
    - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to+91 9212993399
      1. Example for NSDL:  
2. MYEPWD <SPACE> IN12345612345678
      3. Example for CDSL:  
4. MYEPWD <SPACE> 1402345612345678
      5. Example for Physical:  
6. MYEPWD <SPACE> XXXX1234567890
    - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
    - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
  - e. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
- 4) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat

accounts. Members holding shares in physical form or transferees of Physical Shares must furnish their self-attested copy of the PAN card to the Company/ Registrar and Share Transfer Agents.

- 5) As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the Company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
- 6) In respect of shares held in physical mode, all shareholders are requested to intimate change, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission /transposition, Demat/Remat, change of address, issue of duplicate shares, ECS and nomination facility.

**By order of the Board of Directors**

**For XTGlobal Infotech Limited**

**Sd/-**

**Date:** 04<sup>th</sup> September, 2021

**Place:** Hyderabad

Shikha Gangrade  
**Company Secretary**



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

Pursuant to Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the items of business of the accompanying notice dated 04<sup>th</sup> September, 2021

### ITEM No. 3

#### Brief Detail of Statutory Auditor seeking appointment at the 33<sup>rd</sup> Annual General Meeting:

{Pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

Name of Statutory Auditor	M/s. C Ramachandram & Co., Chartered Accountants
FRN:	002864S
Proposed fees payable	Rs. 2,40,000/- (Rupees Two Lakhs Forty Thousand Only)
Terms of appointment	Appointed from the conclusion of 33 <sup>rd</sup> AGM till the conclusion of 38 <sup>th</sup> AGM
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	Professional Fees of both Outgoing Statutory Auditors and new Appointing Auditors is same and there is no change in fee payable
Basis of recommendation for appointment	The firm and the partners have vast experience all sort of chartered accountant services related to accounting, auditing, income tax, financial services etc., and Concurrent Audits & Statutory Audits of public companies, private companies, branches of various nationalized and private banks
Details in relation to and credentials of the statutory auditor(s)	M/s. C Ramachandram & Co., Chartered Accountants is a partnership firm engaged in the profession of Chartered Accountancy. The firm has an overall standing of more than a decade.

### ITEM No. 4

#### Ratification of Non-Disclosure of Information related to Resolution Passed for Acquisition of 44.33% stake in Network Objects Inc. by way of swap of Equity shares through Preferential Allotment on 31<sup>st</sup> December, 2020 at EGM

##### a. Maximum number of specified securities to be issued and price of the equity share:

The resolution authorizes the Board to issue up to 1,30,00,828 (One Crore Thirty Lakhs Eight Hundred and Twenty-Eight Only) Equity Shares of the Company of face value of Re. 1/- (Rupee One) per Equity Share at an issue price of Rs. 25.20/- (Rupees Twenty-Five and Paise Twenty Only) each including a premium of Rs. 24.20/- (Rupees Twenty Four and Paise Twenty Only) per share on preferential basis for consideration other than cash i.e., swap of Equity shares of both the companies at swap ratio of 1:2932.7381(i.e., For every one share of Network Objects Inc., 2932.7381 shares of XTGlobal Infotech Limited are issued.)

**b. Basis on which the price has been arrived at along with report of the Registered valuer:**

According to the Valuation Report issued by the Registered Valuer Mr. V Gangadhara Rao N(IBBI/RV/06/2019/10709) having office at Flat No 103, Swarna Arcade, Road No.18, Near Mana Studio, Panchavati Colony, Manikonda, Hyderabad- 500089, The Fair Value of Equity Share of XTGlobal Infotech Limited is Rs 20.92/- (Rupees Twenty and Ninety Two Paise only).

According to the Valuation Report issued by the Merchant Banker M/s Navigant Corporate Advisors Limited(SEBI Registration No: INM000012243) having office at 423, A Wing, Bonanza, Sahar Plaza Complex, J.B. Nagar, Andheri Kurla Road, Andheri East, Mumbai- 400059, The Fair Value of Equity Share of XTGlobal Infotech Limited is Rs 21.00/- (Rupees Twenty One only).

As per the Valuation Report issued by Mr. Sanka Hari Surya IBBI Registered Valuer with Registration Number IBBI/RV/07/2019/12576 having office at Shree Mahavir Sadhana Chs, D-602, Plot No. 18 EFG, Sector-14, Navi Mumbai, Sanpada- 400705, Maharashtra estimated fair value of the Network Objects Inc is USD 1,01,98,024.

As per the valuation report issued by the Merchant Banker, Saffron Capital Advisors Private Limited (SEBI Registration No: INM000011211) having office at 605, Center Point, Sixth Floor, Andheri-Kurla Road, J.B. Nagar, Andheri (East), Mumbai - 400 059, the value of the target company Network Objects Inc, USA is USD 1,01,98,024/-

Based on the Valuation reports provided by the above said valuers, the Board has decided the issue price of equity shares to be at Rs. 25.20/- (Rupees Twenty-Five and Paise Twenty Only) including a premium of Rs.24.20/- (Rupees Twenty-Four and Paise Twenty Only) per equity share of Face Value of Re.1/- each which is higher than the Fair value determined by the Registered Valuer in accordance with provisions of the SEBI(ICDR) Regulations, 2018 and the Merchant Banker. The Board also has decided the enterprise value of Network Objects Inc at USD10,000,000 (which is less than the value determined by the Registered Valuer and Merchant Banker) and accordingly arrived at the total consideration for acquiring 44.33% Stake in Network Objects Inc as USD 4,433,000 to acquire 44.33% stake in Network objects Inc.

- c. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees the percentage of post preferential issues that may be held by them and change in control if any in the issuer consequent to the preferential issues

**Preferential allotment for consideration other than cash**

Name of Proposed Allottee	Ultimate Beneficial Owner	Pre-issue Shares Held & %ge holding	Post issue No. of Shares	% of Post - issue Capital that may be Held	Change in %
Srinivasa Raju Kosuri	Self	00	1,20,00,764	9.02	9.02
Sagi Jagadesh Chandra Varma	Self	00	10,00,064	0.75	0.75

Mr. Srinivasa Raju Kosuri, Director is interested in this resolution and None of the other Directors or Key Managerial Personnel and their relatives in any way concerned or interested financially or otherwise in the resolutions except as mentioned above.

Copy of Special Resolution passed on 31<sup>st</sup> December, 2020 along with Explanatory Statement is available with the Company for the inspection of members and it is also available on the website of the Company.

The Board recommends these Special Resolutions for your approval.

**ITEM No. 5****Approval of Related Party Transactions**

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through resolution. The said Regulation further provides a definition of the term 'Material' as follows:

"A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company."

As a part of its regular business, the Company XTGlobal Infotech Limited is engaged in the business of software development and IT consultancy services. The company would like to use the office premises of Xenosoft Technologies (India) Private Limited for its business purposes. The company expects to indulge in sale of IT and IT consultancy services with XTGlobal Inc.

Xenosoft Technologies (India) Pvt. Ltd is a wholly owned subsidiary of XTGlobal Infotech Limited, whereas XTGlobal Inc is a Foreign Subsidiary company of Xenosoft Technologies (India) Pvt. Ltd.

The Audit Committee of the Board of Directors of the Company reviewed the proposed transactions between the Company and Xenosoft Technologies (India) Pvt. Ltd and XTGlobal Inc. after that recommended the same for approval by the Board of Directors and Members of the Company. The Board of Directors also at their meeting held on 04<sup>th</sup> September, 2021 reviewed the transactions with Xenosoft Technologies (India) Pvt. Ltd. and XTGlobal Inc. proposed the same to be placed before the Members for their approval.

The Members' approval to the above material related party transactions is sought in terms of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Ms. Vuppuluri Sreedevi, Whole-time Director and Mr. Ramarao Atchuta Mullapudi, Managing Director being interested in the Xenosoft Technologies (India) Pvt. Ltd. and Mr. Ramarao Atchuta Mullapudi and director being interested in XTGlobal Inc. with respect to transactions at Item No. 5 as Directors of the Company, no other Director, Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 of the Notice.

The Members' approval is solicited for the resolutions at Item No. 5 of the accompanying Notice.

**ITEM No. 6****Re-appointment of Ms. Vuppuluri Sreedevi (DIN:02448540) as Whole-time Director of the Company**

The Members of the Company at the AGM of the Company held on 29<sup>th</sup> September 2018 had approved appointment of Ms. Vuppuluri Sreedevi as Whole-time Director of the Company for a period of three years.

As part of the succession planning and re-composition of the Executive Board structure of the Company, the Board of Directors of the Company at the meeting held on 04<sup>th</sup> September, 2021, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, approved re-appointment of Ms. Vuppuluri Sreedevi as Whole Time Director of the Company for a period of five years, i.e., from

29<sup>th</sup> September, 2021 on such remuneration as set out in the resolution. Ms. Vuppuluri Sreedevi shall be liable to retire by rotation. Ms. Vuppuluri Sreedevi has spent successful 3 years with the Company and the Board of Directors is of the view that she has built credibility with investors/ customers and employees and will be able to find the right balance between ownership and management.

Except Ms. Vuppuluri Sreedevi or her relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board of Directors recommends the resolution in relation to the re-appointment of Ms. Vuppuluri Sreedevi, as Whole Time Director of the Company as set out in Item No. 6 for approval of the Members by way of Special Resolution.

#### **ITEM No. 7**

#### **Re-appointment of Mr. Venkata Appala Narasimha Raju Kalidindi (DIN:08835460) as Independent Non-Executive Director of the Company**

The Members of the Company on 30<sup>th</sup> September, 2020 approved the appointment of Mr. Venkata Appala Narasimha Raju Kalidindi as Independent Director of the Company for a period of One year upto the conclusion of 33<sup>rd</sup> Annual General Meeting.

The Board of Directors of the Company ('the Board') at the meeting held on 04<sup>th</sup> September, 2021 on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Mr. Venkata Appala Narasimha Raju Kalidindi as Independent Non-Executive Director of the Company with effect from 29<sup>th</sup> September, 2021, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective re-appointment.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mr. V. A. Narasimha Raju Kalidindi, and contribution to Board processes by him, his continued association would benefit the Company. Declarations have been received from Mr. V. A. Narasimha Raju Kalidindi that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. V. A. Narasimha Raju Kalidindi fulfil the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Director and he is independent to the management of the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Mr. Mr. V. A. Narasimha Raju Kalidindi, in terms of Section 149 of the Act. Requisite Notices under Section 160 of the Act proposing the re-appointment of Mr. V. A. Narasimha Raju Kalidindi have been received by the Company and consents have been filed by Mr. V. A. Narasimha Raju Kalidindi pursuant to Section 152 of the Act. Mr. V. A. Narasimha Raju Kalidindi do not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Mr. V. A. Narasimha Raju Kalidindi, and his relatives, are interested in the Special Resolutions relating to his re-appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Special Resolutions.

The Board recommends these Special Resolutions for your approval.

**Brief Profile of Directors seeking Appointment /Reappointment at the 33<sup>rd</sup> Annual General Meeting:**

{Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS-2)}

Name of Director	Mr. Jagannatha Prasad Malireddy	Ms. Vuppuluri Sreedevi	Mr. Venkata A. Narasimha Raju Kalidindi
<b>DIN</b>	08835457	02448540	08835460
<b>Date of Birth</b>	11-07-1954	27-03-1976	21-06-1965
<b>Qualification</b>	B. Tech in Mechanical Engineering from JNTU, Kakinada. He is an Associate Member of the Institute of Automotive Engineers.	Commerce Graduate	Member of ICAI
<b>Date of first Appointment</b>	16-08-2020	18-04-2018	16-08-2020
<b>Nature of Appointment</b>	Retires by rotation and offers himself for re-appointment	Re-appointment as WTD	Re-appointment
<b>Terms and Conditions of Reappointment</b>	Appointment as a Non-Executive Director, liable to retirement by rotation	Appointment as a WTD, liable to retirement by rotation	Appointment as an ID not liable for retirement by rotation
<b>Expertise</b>	Business Strategies, Management and Industry knowledge	Business Administration and Finance	3 Decades of experience in the fields of accounting, auditing, and finance
<b>Directorships as on 31<sup>st</sup> March, 2021 in Other Listed Companies</b>	Nil	Nil	Nil
<b>Chairmanship/Membership of the Committees of other Companies</b>	Nil	Nil	Nil
<b>Shareholding in the Company</b>	Nil	30,000	Nil
<b>Disclosure of relationships between directors inter-se or with KMP:</b>	He is not related to any Director /KMP of the Company	She is not related to any Director/KMP of the Company	He is not related to any Director/KMP of the Company

For other details such as number of meetings of the board attended during the year, remuneration drawn in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.



## BOARD'S REPORT

Dear Members,

Your Directors hereby present the Thirty Third Annual Report on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March 2021.

### FINANCIAL RESULTS

The discussion on the financial condition and results of operations of your company should be read in conjunction with it's audited financial statements and notes thereto for the year ended 31<sup>st</sup> March, 2021 which are summarized below:

Particulars	Standalone		Consolidated	
	Financial year 2020-21 (Rs. In Lakhs)	Financial year 2019-20 (Rs. In Lakhs)	Financial Year 2020-21 (Rs. In Lakhs)	Financial Year 2019-20 (Rs. In Lakhs)
Revenue from Operations	1005.61	523.39	18094.37	19529.18
Other Income	34.52	48.50	85.01	56.64
Earnings Before Interest, Tax and Depreciation	301.56	169.68	1402.98	619.92
Finance Cost	-	2.25	198.29	113.02
Depreciation	19.02	8.19	469.52	114.75
Profit Before Tax (PBT)	281.41	159.24	735.17	392.15
Provision for: -				
Income Tax/Adjusted for earlier years (Net)	-	-	492.44	57.22
Deferred Tax (Assets)/Liabilities	(48.01)	(71.39)	(367.06)	(53.76)
Profit After Tax (PAT)	<b>315.30</b>	<b>230.63</b>	<b><u>2017.04</u></b>	<b>388.69</b>

In compliance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards IND AS-10 and IND AS-28 on consolidated financial statements, your Directors have provided the consolidated financial statements for the financial year ended March 31, 2021 which forms part of the Annual Report.

### COVID-19

During the Financial Year 2020-21, sudden outbreak of COVID-19 pandemic has pushed governments to enforce lock-downs in various stages. Due to Business continuity plan of the company, the company was able to continue its business processes and deliver to its clients seamlessly without disruptions though most of the employees working from home. In spite of uncertainties and unprecedented business crisis all over the globe, it is believed that the company could steer through turbulent times.

**DIVIDEND**

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review.

**TRANSFER TO RESERVES**

During the year, your Company has not transferred any amount to its General Reserves. As no transfer is proposed, the entire balance available in the Profit and Loss account is retained in it.

The closing balance of the retained earnings of the Company for FY 2020-21 was Rs. 244.03 Lacs.

**COMPANY'S PERFORMANCE**

On a consolidated basis, the revenue from operations for Financial Year 2020-21 was Rs. 18094.37 Lakhs and profit attributable to shareholders of the company for that period is Rs. 2017.04 Lakhs.

On standalone basis, the revenue from operations for Financial Year 2020-21 was Rs. 1005.61 Lakhs which was 92 times (approx.) when compared to that of Financial Year 2019-20 which was Rs. 523.39 Lakhs Profit attributable to shareholders of the company for Financial Year 2020-21 is Rs. 315.30 Lakhs which is 38 times (approx.) when compared to that of Financial Year 2019-20 which was Rs. 230.63 Lakhs.

During the period under review and the date of Board's Report there was no change in the nature of Business.

**REVISION OF FINANCIAL STATEMENTS**

There was no revision of the financial statements for the year under review.

**HUMAN RESOURCE DEVELOPMENT**

Your company continues to enjoy cordial relationship with its personnel at all levels and focusing on attracting and retaining competent personnel and providing a holistic environment where they get opportunities to grow and realize their full potential. Your company is committed to providing all its employees with a healthy and safe work environment; therefore, Company has provided work from home facility to its maximum employees to prevent employees and their families from Covid attack.

Your company is organizing training programs wherever required for the employees concerned to improve their skill. Employees are also encouraged to participate in the webinars organized by the external agencies related to the areas of their operations.

**SHARE CAPITAL**

During the Financial Year 2020 -21, your Company has not increased its Authorised Share capital and not allotted any Equity shares to any of the person. As on 31<sup>st</sup> March, 2021 the Authorised Share Capital of the Company is Rs. 18,00,00,000/- divided into 18,00,00,000 Equity shares of Re. 1/- each and issued, subscribed & paid-up share capital is Rs. 11,99,67,627/- divided into 11,99,67,627 Equity shares of Re. 1/- each.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review Mr. Venkata Appala Narasimha Raju Kalidindi and Mr. Jagannatha Prasad Malireddy were appointed as Non-Executive Independent Director and Non-Executive Director respectively on 16<sup>th</sup> August, 2020 and were regularized at the 32<sup>nd</sup> AGM, thereafter Mr. Saibaba Karuturi was appointed as Non-Executive Independent Director on 06<sup>th</sup> November, 2020 and regularized in the EGM held on 31<sup>st</sup> December, 2020. On 08<sup>th</sup> December, 2020 Mr. Srinivas Raju Kosuri was appointed on the Board and designated as Non-Executive Director of the Company.

Further, Mr. China Surya Narayana Murthy Anupindi and Mr. Sreenivasa Rao Potti, Independent Directors of the Company, have resigned w.e.f. closing of working hours of 14<sup>th</sup> July, 2020 and 30<sup>th</sup> September, 2020. The Board has extended its gratitude to Mr. China Surya Narayana Murthy Anupindi and Mr. Sreenivasa Rao Potti for their association, dedication and commitment towards Company as Directors.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Raghuram Kusuluri, Chief Financial Officer and Ms. Shikha Gangrade, Company Secretary and compliance officer were the Key Managerial Personnel of the Company during the year under review.

The Committees of the Board have been reconstituted and also renamed in line with the requirements, the details of which are provided elsewhere in this report.

### **COMMITTEES OF THE BOARD**

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance of these committees during the year have been enumerated in Corporate Governance report.

### **CHANGE IN PROMOTER'S OF THE COMPANY**

The Company has received approval from BSE Limited for reclassification of promoter and promoter group to public category under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on 23<sup>rd</sup> June, 2020.

Based on the approval received from the Stock Exchange, the following Promoter/Promoter Group were reclassified into Public Category:

1. Mr. Velchala Premchand Krishna Rao
2. Mrs. V Radha Bai

### **DIRECTORS LIABLE FOR RETIRE BY ROTATION**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jagannatha Prasad Malireddy and Mr. Srinivasa Raju Kosuri, Directors of the Company are liable to retire by rotation and out of these two directors Mr. Jagannatha Prasad Malireddy is retiring by rotation being eligible, offers himself for reappointment. The Board recommends for his reappointment.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis, forming part of this report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred as SEBI (LODR) Regulations, 2015}, is attached separately to this Report as Annexure - D.

### **BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013 and Regulation 19 read with Schedule II, Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors.

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members based on criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

In a separate meeting of independent directors held on 29<sup>th</sup> March 2021 performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, considering the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The summary of the evaluation reports was presented to the respective Committees and the Board.

#### **AUDIT COMMITTEE**

The Audit Committee comprises of below mentioned directors as on 31<sup>st</sup> March 2021:

Name of the Member	Category
Mr. Venkata Appala Narasimha Raju Kalidindi*	Non-Executive-Independent Director, Chairperson
Mr. Venkata Madhusudhana Rao Paladugu	Independent Director
Ms. Vuppuluri Sreedevi	Executive Director

❖ Mr. Venkata Appala Narasimha Raju Kalidindi, Independent Director, appointed as a Chairperson of Audit Committee w.e.f. 02<sup>nd</sup> November 2020.

There are no recommendations of the audit committee which have not been accepted by the board during the year under review.

Details of terms of reference of Audit Committee and meetings of Audit Committee held during the year under review have been given in Corporate Governance Report.

The details pertaining to the composition and attendance of the audit committee are included in the Corporate Governance Report, which is a part of this report.

#### **NOMINATION AND REMUNERATION POLICY**

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Director(s), Senior Management Personnel and their remuneration.

The composition of the Nomination & Remuneration Committee was in compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and of Regulation 19 of the SEBI (LODR) Regulations, 2015 except as mentioned in corporate governance report of the Company.

The Nomination & Remuneration Committee comprises of below mentioned directors as on 31<sup>st</sup> March 2021:

Name of the Member	Category
Mr. Saibaba Karuturi *	Non-Executive-Independent Director, Chairperson
Mr. Venkata Madhusudhana Rao Paladugu	Non-Executive-Independent Director, Member
Mr. Venkata Appala Narasimha Raju Kalidindi*	Non-Executive-Independent Director, Member

- ❖ Mr. Saibaba Karuturi Independent Directors was appointed as Chairperson of Nomination & Remuneration Committee w.e.f. 06<sup>th</sup> November 2020 and Mr. Venkata Appala Narasimha Raju Kalidindi, Independent Director, was appointed as a member of Nomination & Remuneration Committee w.e.f. 16<sup>th</sup> August 2020.

### NUMBER OF MEETINGS OF THE BOARD

The Board met 8 (Eight) times in the financial year 2020-21. The details of the Board Meetings are given in the Corporate Governance Report. The gap between two meetings did not exceed one hundred and twenty days as provided under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

The independent directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for attending meetings of the Board/Committee of the Company.

### FAMILIARISATION PROGRAMME

These Programs aim to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of program for familiarisation of Independent Directors with the Company are available on the Company's website at [www.xtglobal.com](http://www.xtglobal.com).

The Board members are also regularly updated on changes in Corporate and Allied laws, Taxation laws and related matters through, presentations and updates made by the respective functional leaders. MD & WTD along with Senior leadership conducts quarterly session with board members sharing updates about the Company's business strategy, operations, and the key trends in the IT industry relevant for the Company. These updates help the board members to abreast themselves with the key changes and their impact on the Company.

### EMPLOYEE STOCK BENEFIT SCHEME

Pursuant to the approval accorded by members at their Annual General Meeting held on 30<sup>th</sup> September 2020, the Nomination & Remuneration Committee of the Company formulated an employee benefit scheme "XTGlobal Infotech Limited Employees Stock Benefit Scheme – 2020" ("Scheme") in accordance with the Securities and Exchange Board

of India (Share Based Employee Benefits) Regulations, 2014. The Scheme ESBS is applicable to all permanent and full time employees of the Company and its Subsidiary Company whether working in India or out of India, and to the Directors whether a Whole time Director or not but, excluding Independent Director, Non-Executive Directors of the Company and its Subsidiary Company(ies) and also excluding Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.

The eligibility of employees to receive grants under the Scheme has to be decided by the Nomination & Remuneration Committee (NRC) from time to time at its sole discretion.

Vesting of the Options/RSUs shall take place in the manner determined by NRC at the time of grant and such other conditions as provided under the Scheme.

The Exercise Price of each grant is determined by the NRC based on the market price at the time of Grant.

#### **A. Disclosure as per Indian Accounting Standard 102 Share Based Payment issues by ICAI**

1. The Company has 'Nil' Share Based Payment arrangements during the year ended 31<sup>st</sup> March, 2021.
2. The estimated fair value of each stock option granted in the general employee stock benefit scheme is Re. 1/-.
3. Expenses arising from employee stock benefit scheme is 'Nil' for the reporting period.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time – No ESOP's issued during the period therefore there are no potential equity shares. Thus, basic EPS and Diluted EPS are same - Re. 0.26/-.

#### **C. Details related to Scheme**

1. A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS
  - i. Date of shareholders' approval – 30<sup>th</sup> September, 2020
  - ii. Total number of Options/RSUs approved under the Scheme –  
Restricted Stock Units ("RSUs") – 20,00,000 (Twenty Lakhs)  
Employee Stock Options ("Options") – 30,00,000 (Thirty Lakhs)
  - iii. Vesting requirements - Vesting period for both options and RSUs shall commence after minimum period of 1 (One) year from the grant date and it may extend upto maximum of Four (4) years from the grant date. The Actual vesting may further be linked with the eligibility criteria, as determined by the Nomination & Remuneration Committee in accordance with the Scheme.
  - iv. Exercise price or pricing formula –  
For options: The exercise price shall be based on the Market Price of the Company.  
For RSUs: The exercise price shall be the face value of the Equity Shares of the Company presently being Re. 1/.
  - v. Maximum term of options granted - The Options and/or RSUs granted under the Scheme shall vest within a maximum period of Four (4) years from the grant date.
  - vi. Source of shares (primary, secondary or combination) – Primary
  - vii. Variation in terms of options - Not Applicable
2. Method used to account for ESBS – Fair Value
3. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact



of this difference on profits and on EPS of the company shall also be disclosed – Not Applicable, as the Company is using Fair Value Method.

4. Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	50,00,000 (30,00,000 Options & 20,00,000 RSUs)
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	NIL
Number of options vested during the year	NIL
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	NIL
Money realized by exercise of options (INR), if scheme is implemented directly by the company	NIL
Loan repaid by the Trust during the year from exercise price received	NIL
Number of options outstanding at the end of the year	50,00,000 (30,00,000 Options & 20,00,000 RSUs)
Number of options exercisable at the end of the year	-

5. Weighted-average exercise prices: Exercise of options was not executed during the year under review. weighted-average fair values: Nil
6. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to
  - a. Senior managerial personnel;
  - b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and
  - c. Identified employees who were granted options, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.
  - d. – Board has delegated its power to NRC to decide criteria for selection of Employees, however, during the year under review, NRC has not granted any Options/RSU under the Scheme.
7. A description of the method and significant assumptions used during the year to estimate the fair value of options – During the year fair value was not calculated for the purpose of grant of ESBS as no option/RSU was granted in the FY 2020-21.

### Scheme Compliance status

XTGlobal Infotech Limited Employees Stock Benefit Scheme – 2020 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Companies Act, 2013. The Company has received a certificate from the Statutory Auditors of the Company certifying that ESBS- 2020 is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is in accordance with the resolution passed by the Members of the Company at the Annual General Meeting.

### Administration of the Scheme

The Nomination & Remuneration Committee of the Board administers the Employee Stock Benefit Schemes as formulated by the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on the representation(s) received from the Operating Management and after due enquiry, confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the accounting policies had been selected and applied 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 financial year ended 31<sup>st</sup> March 2021 and of the loss of the Company for that period;
- c) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts had been prepared on a going concern basis;
- e) internal financial controls, to be followed by the Company, had been laid down and these controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## STATEMENT OF DEVIATION(S) OR VARIATION(S)

In reference to the compliance Under Regulation 32(7A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015, your Company had raised funds through Preferential Issue amounting to Rs. 4,31,74,995/- (Rupees Four Crore Thirty One Lakhs Seventy Four Thousand Nine Hundred and Ninety Five Only) and the entire fund was utilized during the Financial Year 2020-21 for the same purpose as stated in the explanatory statement to the notice of Extraordinary General Meeting held on 15<sup>th</sup> February, 2020 and no deviation or variation was noted in the use of proceeds from Preferential issue by the Audit Committee.

## RELATED PARTY TRANSACTIONS

The transactions entered with all the related parties during the year under review were on arm's length basis and in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee and the Board of Directors, pursuant to applicable provisions of SEBI (LODR) Regulations, 2015 & Companies Act, 2013. Prior omnibus approval of the Audit Committee has been obtained for the transactions which were repetitive in nature. The transactions entered pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors. The policy on Related Party Transactions as approved by the Board, is available at the Company's website.

No Contract or Agreement was executed between the Company and any of the Related Party which was not at arms-length price during the period under review.

The particulars of related party transactions in prescribed Form AOC - 2 are attached as "Annexure-A."

## RISK MANAGEMENT

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy. Formulation of Risk Committee is not applicable on the Company as per the applicable provisions.

The elements of risk as identified for the Company with impact and mitigation strategy are set out in the Management Discussion and Analysis Report.

## CORPORATE SOCIAL RESPONSIBILITY

As per the Provisions of the Companies Act, Corporate Social Responsibility is not applicable on the Company as it is not crossing the threshold limits as prescribed under the Act.

## AUDITORS

### a) Statutory Auditors:

The members, at Thirty Second Annual General Meeting held on 30<sup>th</sup> September, 2020 had accorded their approval pursuant to provisions of Sections 139 and other applicable provisions of the Companies Act, 2013 and Rules made there under to appoint Niranjana & Narayan, Chartered Accountants (Firm Registration No. 005899S) as the Statutory Auditor of the Company for the period of one year from the conclusion of that AGM till the conclusion of Thirty Third Annual General Meeting on such remuneration as may be determined by the Board of Directors.

Pursuant to Section 139(2) of the Companies Act, 2013 the present statutory auditors M/s. Niranjana & Narayan, Chartered Accountants has completed the prescribed term of five consecutive years and the firm is not eligible for further Re-appointment.

There is no qualification, reservation or adverse remark or disclaimer in the Auditors' Report notes to the accounts are self-explanatory, needs no further clarification or explanation.

### b) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed VCSR & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is annexed herewith as "Annexure-B". The Secretarial Audit Report contain following observation

Delayed in complying the requirements of the regulation 17(1) of SEBI (LODR) Regulations, 2015. Notice of non-compliance was served, requiring the company to pay a fine of Rs. 2,12,400/-. Company is compliant, represented before the authorities of BSE, the prescribed fee was paid to BSE on 17<sup>th</sup> June, 2021.

Board's comment: Company is compliant as the Six Director was appointed on 06<sup>th</sup> November, 2020. As per Regulation 25(6) Company can appoint another Independent Director in the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later. Company has represented before the authorities of BSE and prescribed fee was paid to BSE on 17<sup>th</sup> June, 2021.

### c) Internal Auditor:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company has appointed M/s. T Mohan & Associates (Formerly M/s Lakshmi & Associates), Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2020-21.

Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualifications on accounts of the Company from the Internal Auditor

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### a) Conservation of Energy, Technology Absorption

The details as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption the Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products. The Company's operations do not require significant import of technology. Your Company has also taken steps for conservation of Energy at the Office.

### b) Foreign Exchange earnings and Outgo

Earning: Rs. 968.25 Lakhs

Outgo: Rs. 0

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 is attached as "Annexure-C". Copy of Annual Return is available at the website of the Company: <https://xtglobal.com/investors/>, As required under Section 92(3) of the Companies Act, 2013.

## INTERNAL FINANCIAL CONTROL

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safeguarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness, inefficiency or inadequacy in the design or operation was observed.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has provided loan to its Wholly owned Subsidiary Company of Rs. 408.99 Lakhs During the Financial Year 2020-21 as covered under Section 186 of the Companies Act, 2013.

In previous financial year your Company has invested in Equity shares of Xenosoft Technologies (India) Private Limited, Company has also extended loan to Xenosoft Technologies (India) Private Limited, wholly owned subsidiary of the company, other than this no guarantee or security was provided to any of the body corporate under Section 186 of the Act. The particulars of such loan or investment are given in the notes forming part of the Financial Statements.

## PARTICULARS OF JOINT VENTURE, SUBSIDIARY & ASSOCIATE COMPANY

The Company has only one Indian wholly owned subsidiary i.e. Xenosoft Technologies (India) Private Limited as on March 31, 2021. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiary.

On 12<sup>th</sup> March, 2020 the Company has acquired 100% stake in Xenosoft Technologies (India) Private Limited which is engaged in same line of business. With this acquisition, XTGlobal Inc, USA and Circulus LLC which were subsidiaries of Xenosoft Technologies (India) Private Limited will also become step down foreign subsidiaries of XTGlobal Infotech Limited with effect from 12<sup>th</sup> March, 2020.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company [www.xtgglobal.com](http://www.xtgglobal.com).

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of financial disclosures.

The Company has an internal Control System commensurate with the size, scale and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditor. Significant audit observations and corrective action are reported to the Audit Committee.

The concerned executives monitor and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has formulated a mechanism called "Vigil Mechanism/ Whistle Blower Policy" for directors and employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and provided a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

The policy permits all the directors and employees to report their concerns to the Competent Authority, Executive Chairman /Managing Director of the Company and if the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee.

The policy with the designation and address of the Competent Authority, Executive Chairman/Managing Director of the Company and Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company.

The Whistle Blower Policy is made available on the website of the Company.

### **PREVENTION OF SEXUAL HARASSMENT POLICY**

Your Company laid down Prevention of Sexual Harassment policy and it is made available on the website of the Company. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company has duly constituted Internal Complaints Committee for redressal of sexual harassment matters under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2021, there are no instances of non-compliance with the requirement of the Act.

## INSURANCE

Your Company's Assets have been adequately insured.

## CORPORATE GOVERNANCE

Your Company has been particular in implementing and complying with the norms of Corporate Governance and complying all the mandatory requirements as specified in Regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015. A detailed report on Corporate Governance covering among others composition, details of meetings of the Board and Committees along with a certificate for compliance with the conditions of Corporate Governance in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with Certificate from Practicing Company Secretary thereon is attached separately to this Report as **Annexure - E**.

## DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your directors state that during the year under review, there was no complaint filed/pending pursuant to the provisions of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

The Company has complied with the Constitution of Internal Compliant Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination & Remuneration Committee of the Company formulates the criteria for determining the qualifications, positive attributes and independence of Directors in terms of its charter. In evaluating the suitability of individual Board members, the Committee takes into account factors such as educational and professional background, general understanding of the Company's business dynamics, standing in the profession, personal and professional ethics, integrity and values, willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The Committee also assesses the independence of Directors at the time of their appointment / re-appointment as per the criteria prescribed under the provisions of the Act and the rules made thereunder and the Listing Regulations.

The Remuneration Policy for Directors, Key Managerial Personnel and other employees is provided in the Corporate Governance Report forming part of this Report.

## PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION

In terms of the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Particulars	Ratio to Median Remuneration
Non-Executive Directors*	-
Executive directors	-

\*No remuneration other than sitting fee is paid to Non-executive Independent Director of the company.



#No remuneration was paid to executive directors of the company.

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in Remuneration in the Financial Year
Directors	No remuneration other than sitting fee is paid to Non-executive Independent Director of the company
Chief Executive Officer	The company has not appointed Chief Executive Officer during the financial year
Chief Financial Officer	There is a nominal change in the Remuneration of the Chief Financial Officer from the Last year
Company Secretary	There is a nominal change in the Remuneration of the Company Secretary from the Last year

- c. The percentage increase in the median remuneration of employees in the financial year 2020-21: 86%
- d. The number of permanent employees on the rolls of Company (As on 31<sup>st</sup> March, 2021): 80 Employees (Male -57 & Female-23)
- e. Average percentage 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: The average annual increase was around 98.40 % for personnel other than managerial personnel. No managerial remuneration was paid for the financial year 2020-21.
- f. Affirmation that the remuneration is as per the remuneration policy of the Company:  
The Company affirms that the remuneration is as per the remuneration policy of the Company. There are no employees drawing remuneration in excess of the limits set out in the Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- g. There are no employees drawing remuneration in excess of the limits set out in the Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- h. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company- None

#### **OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

The Institute of Company Secretaries of India has issued Secretarial Standards on Board Meeting (SS-1) and General Meeting (SS-2) which were made compulsories for all companies by the Ministry of Corporate Affairs. The Institute

has also issued Secretarial Standards on Dividend (SS-3), which is however not compulsory. The Company adheres to these standards.

### **MATERIAL CHANGES AND COMMITMENTS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status from April 2020 to March, 2021.

The Directors of the Company in their Board meeting held on 5<sup>th</sup> September, 2020 have approved the Scheme of Amalgamation envisaging the merger of the Xenosoft Technologies (India) Private Limited (Wholly Owned Subsidiary) with XTGlobal Infotech Limited. The amalgamation is in process.

### **MAINTAINANCE OF COST RECORDS**

The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, and accordingly, such cost accounts and records are not maintained by the Company.

### **INSIDER TRADING REGULATIONS**

Your Company is compliant Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated a Code of Conduct on Prohibition of Insider Trading ('Insider Trading Code'). The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

### **ACKNOWLEDGEMENT**

The Board of Directors take this opportunity to express their gratitude to the Central Government, State Government and Local Authorities, Financial Institutions, Banks, Customers, Dealers, Vendors and all the stakeholders for their continued cooperation and support to your Company.

The Board of Directors wishes to express its appreciation to all the employees of the Company for their contribution to the operations of the Company.

The Directors appreciate and value the contribution made by every member of the XTGlobal Family.

The Board specially thank to the shareholders for their continued confidence and faith in the Company.

**For and on behalf of  
Board of Directors of XTGlobal Infotech Limited**

Place: Hyderabad

SD/-

SD/-

Date: 04<sup>th</sup> September 2021

V. A. Narasimha Raju K.  
Director  
DIN: 08835460

Vuppuluri Sreedevi  
Whole-time Director  
DIN: 02448540

**Annexure – A to Board’s Report****FORM AOC-2**

*[Pursuant to clause (h) of sub – section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub – section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso.

**1. Details of contracts or arrangements or transactions not at arm’s length basis:**

There were no contracts / arrangements / transactions entered into during the Financial year ended 31<sup>st</sup> March 2021, which were not at arm’s length basis.

**2. Details of material contracts or arrangements or transactions at arm’s length basis: -**

The details of material contracts or arrangement or transactions at arm’s length basis for the year ended 31<sup>st</sup> March 2021 are as follows:

Name of Related Party	Nature of Relationship	Nature of Transaction	Duration of Transaction	Salient Terms	Value of Transaction/ Agreement Value (Amount in Rs.)	Date(s) of Approval by the Board, if Any
XTGlobal Inc.	Step-down subsidiary	Sale of services	FY 2020-21	Software services	Rs. 9.11 crores	05 <sup>th</sup> September, 2019
Xenosoft Technologies (India) Private Limited	Subsidiary	Renting of office space	FY 2020-21	Renting of office space at Hyderabad	Rs. 11.04 Lakhs	05 <sup>th</sup> September, 2019
Xenosoft Technologies (India) Private Limited	Subsidiary	Loan to Subsidiary	FY 2020-21	Granting of Loan to Wholly owned Subsidiary	Rs. 4.09 Crores	30 <sup>th</sup> April, 2020

**For and on behalf of**

**Board of Directors of XTGlobal Infotech Limited**

Place: Hyderabad  
Date: 04<sup>th</sup> September 2021

SD/-

V. A. Narasimha Raju K.  
Director  
DIN: 08835460

SD/-

Vuppuluri Sreedevi  
Whole-time Director  
DIN: 02448540

**Annexure – B to Board's Report****MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2021**

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

**To**

**The Members,**

**M/s. XTGLOBAL INFOTECH LIMITED,  
(C1N: L72200TG1986PLC006644)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. XTGLOBAL INFOTECH LIMITED (CIN: L72200TG1986PLC006644)**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **M/s. XTGLOBAL INFOTECH LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. XTGLOBAL INFOTECH LIMITED ("the Company") for the financial year ended on 31/03/2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- 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, 2018;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company During the audit period

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable to the Company During the audit period

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable to the Company During the audit period

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable to the Company During the audit period.

(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; Not applicable to the Company during the audit period.

and

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi. Other Laws applicable to the Company

Other Laws applicable specifically to the Company namely:

1. Information Technology Act, 2005 and the Rules made there under,
2. Software Technology Parks of India Rules made there under,
3. The Trade Marks Act, 1999,

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

I. Secretarial Standards issued by The Institute of Company Secretaries of India

II. The Listing Agreement entered into by the Company with Bombay Stock Exchange;

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

- Delayed in complying the requirements of the regulation 17(1) of SEBI (LODR) Regulations, 2015. Notice of non-compliance was served, requiring the company to pay a fine of Rs. 2,12,400/-. Company is compliant, represented before the authorities of BSE, the prescribed fee was paid to BSE on 17<sup>th</sup> June, 2021.

### **We further report that**

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the period under audit, the following specific events/actions, having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards::

- The Company approved Employees Stock Benefit Scheme – 2020 (“Scheme”) in one or more tranches, Employee Stock Options (“Options”) and Restricted Stock Units (“RSUs”) not exceeding 50,00,000 (Fifty Lakhs) [30,00,000 (Thirty Lakhs) Options and 20,00,000 (Twenty Lakhs) RSUs].
- The Company had approved for the scheme of amalgamation envisaging the merger of M/s. Xenosoft Technologies (India) Private Limited with M/s. XTGlobal Infotech Limited.

Place: Hyderabad  
Date: 04<sup>th</sup> September, 2021

**For VCSR & Associates  
Company Secretaries**

Sd/-  
(Ch. Veeranjanyulu)  
Partner  
CP No. 6392  
UDIN: F006121C000895561

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



**ANNEXURE – A**

To,  
The Members,  
**M/S XTGLOBAL INFOTECH LIMITED,**

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

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

Place: Hyderabad  
Date: 04<sup>th</sup> September, 2021

**For VCSR & Associates  
Company Secretaries**

Sd/-  
(Ch. Veeranjanyulu)  
Partner  
CP No. 6392  
UDIN: F006121C000895561

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

**To**  
**The Members**  
**XTGlobal Infotech Limited**  
**Hyderabad.**

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. XTGlobal Infotech Limited (Formerly Frontier Informatics Limited)** having (CIN: L72200TG1986PLC006644) and having registered office at Plot No. 31P & 32, 3<sup>rd</sup> Floor, Tower A, Ramky Selenium, Nanakramguda, Hyderabad, TG 500032 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Designation
1.	Vuppuluri Sreedevi	02448540	Whole-time Director
2.	Mullapudi Atchuta Rama Rao	02302179	Managing Director
3.	Venkata Madhusudhana Rao Paladugu	08644451	Independent Director
4.	Venkata Appala Narasimha Raju Kalidindi*	08835460	Independent Director
5.	Jagannatha Prasad Malireddy*	08835457	Non-Executive Director
6.	Saibaba Karuturi*	08945305	Independent Director
7.	Srinivasa Raju Kosuri*	05186948	Non-Executive Director
8.	Sreenivasa Rao Potti*	05119348	Independent Director
9.	China Surya Narayana Murthy Anupindi*	05149921	Independent Director

- \* 1. Mr. Venkata Appala Narasimha Raju Kalidindi was appointed as an Independent Director on 16.08.2020  
 2. Mr. Jagannatha Prasad Malireddy was appointed as Non-Executive, Non- Independent Director on 16.08.2020  
 3. Mr. Saibaba Karuturi was appointed as an Independent Director on 06.11.2020  
 4. Mr. Srinivasa Raju Kosuri was appointed as Non-Executive, Non-Independent Director on 08.12.2020  
 5. Mr. China S N Murthy Anupindi has resigned on 14.07.2020  
 6. Mr. Sreenivasa Rao Potti has vacated office on 30.09.2020

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

Place: Hyderabad  
Date: 04<sup>th</sup> September, 2021

**For VCSR & Associates**  
**Company secretaries**

Sd/-  
Ch. Veeranjanyulu  
Partner  
C P No: 6392  
UDIN: F006121C000895603

## Annexure – C to Board's Report

**FORM NO. MGT- 9**  
**EXTRACT OF ANNUAL RETURN**

**as on financial year ended 31<sup>st</sup> March, 2021**

*[Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS**

1.	CIN	L72200TG1986PLC006644
2.	Registration Date	29/07/1986
3.	Name of the Company	<b>XTGLOBAL INFOTECH LIMITED</b> <b>(Formerly Frontier Informatics Limited)</b>
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	Plot No.31 P & 32, 3 <sup>rd</sup> Floor, Tower A, Ramky Selenium, Financial District, Nanakramguda, Hyderabad–500032, Telangana, India
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited (Formerly Karvy Fintech Private Limited) Plot No 31P & 32, Karvy Selenium, Tower – B, Financial District, Nanakramguda, Hyderabad–500 032

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Computer Programming, Consultancy and related activities	620	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Xenosoft Technologies (India) Private Limited Plot No 31P&32, 3 <sup>rd</sup> Floor, Tower-A, Ramky Selenium, Financial district, Nanakramguda, Hyderabad 500032	U72200TG2006PTC049779	Subsidiary (Wholly Owned)	100%	2(87)
2.	XTGlobal Inc. 2701, Dallas Parkway, Suite 550, Plano, Texas 75093	N.A.	Subsidiary (Wholly Owned)	100%	2(87)
3.	Circulus LLC 2701, Dallas Parkway, Suite 550, Plano, Texas 75093	N.A.	Subsidiary (Wholly Owned Subsidiary of XTGlobal Inc.)	100%	2(87)

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)\***

## Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1225678	251085	1476763	1.23	748426	0	748426	0.62	(0.61)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other --Foreign Residents	62515941	18625544	81141485	67.64	82732378	0	82732378	68.96	1.32
<b>Total shareholding of Promoter (A)</b>	<b>63741619</b>	<b>18876629</b>	<b>82618248</b>	<b>68.87</b>	<b>83480804</b>	<b>0</b>	<b>83480804</b>	<b>69.58</b>	<b>0.71</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	5900	5900	0.05	0	5900	5900	0.00	(0.05)
b) Banks / FI	0	600	600	0.00	0	600	600	0.00	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	2800	2800	0.02	0	2800	2800	0.00	(0.02)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	--	9300	9300	0.07	--	9300	9300	0.01	(0.06)
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	306992	42550	349542	0.29	292083	42550	334633	0.28	(0.01)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	5300628	1361019	6661647	5.55	6475122	482955	6958077	5.80	0.25
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3011339	1640926	4652265	3.88	8004566	0	8004566	6.67	2.79
c) Others HUFs(specify)	0	0	0	0	0	0	0	0	0
Non-Resident Indians	21593482	3574617	25168099	21.00	20524746	121450	20646196	17.21	(3.79)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	336077	169113	505190	0.42	505190	0	505190	0.42	0
Clearing Members	1091	0	1091	0.00	26616	0	26616	0.02	0.02
Trusts	1950	295	2245	0.00	1950	295	2245	0.00	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	30551559	6788520	37340079	31.13	35830273	6788520	36477523	30.40	(0.73)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	30551559	6797820	37349379	31.13	35830273	656550	36486823	30.41	(0.72)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	94293178	25674449	119967627	100	119311077	656550	119967627	100	00



**B) Shareholding of Promoter**

S. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the End of the Year			% Change in Shareholding During the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total Shares	
1	V K Premchand*	727787	0.61	--	--	--	--	(0.66)
2	V. Radha Bai*	550	0.00	--	--	--	--	--
3	Ramarao Atchuta Mullapudi	76745156	63.97	--	78336049	65.29	--	1.32
4	Harika Vardhani Mullapudi	4396329	3.66	--	4396329	3.66	--	--
5	Subba Rao Vuppuluri	205818	0.17	--	205818	0.17	--	--
6	Jayalakshmi Vuppuluri	205818	0.17	--	205818	0.17	--	--
7	Sri Rama Rudra Prasad Vuppuluri	336790	0.28	--	336790	0.28	--	--
	<b>TOTAL</b>	<b>82618248</b>	<b>68.86</b>	<b>--</b>	<b>83480804</b>	<b>69.58</b>	<b>--</b>	<b>0.72</b>

\* Mr. V K Premchand – Promoter and Mrs. V Radha Bai were classified to public from promoter group with effect from 23<sup>rd</sup> June 2020.

**C) Change in Promoters' Shareholding (please specify if there is no change):**

S.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>1</b>	Ramarao Atchuta Mullapudi				
	Opening Balance	76745156	63.97	76745156	63.97
	Acquisition/Disposal during the year				
	a. 07-08-2020 -18/09/2020	369079	0.30	77114235	64.33
	b. 23-09-2020	947680	0.78	78061915	65.12
	c. 24-12-2020	185000	0.15	78246915	65.29
	- During 2020-21	89134	0.07	78336049	65.29
	<b>Closing Balance</b>	<b>78336049</b>	<b>65.29</b>	<b>78336049</b>	<b>65.29</b>
<b>2</b>	Harika Vardhani Mullapudi				
	Opening Balance	4396329	3.66	4396329	3.66
	Date wise Increase / Decrease in Promoter's Shareholding	--	--	--	--

	during the year				
	<b>Closing Balance</b>	<b>4396329</b>	<b>3.66</b>	<b>4396329</b>	<b>3.66</b>
<b>3</b>	Subba Rao Vuppuluri				
	Opening Balance	205818	0.17	205818	0.17
	Date wise Increase / Decrease in Promoter's Shareholding during the year	--	--	--	--
	<b>Closing Balance</b>	<b>205818</b>	<b>0.17</b>	<b>205818</b>	<b>0.17</b>
<b>4</b>	Jayalakshmi Vuppuluri				
	Opening Balance	205818	0.17	205818	0.17
	Date wise Increase / Decrease in Promoter's Shareholding during the year	--	--	--	--
	<b>Closing Balance</b>	<b>205818</b>	<b>0.17</b>	<b>205818</b>	<b>0.17</b>
<b>5</b>	Sri Rama Rudra Prasad Vuppuluri				
	Opening Balance	336790	0.28	336790	0.28
	Date wise Increase / Decrease in Promoter's Shareholding during the year	--	--	--	--
	<b>Closing Balance</b>	<b>336790</b>	<b>0.28</b>	<b>336790</b>	<b>0.28</b>

**D) Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No.	Shareholder's Name	Shareholding at the Beginning of the Year		Shareholding at the End of the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01.	Lakshmi Narasimham B	4823338	4.02	4823338	4.02
02.	Gangadhar Sharyala	4439929	3.70	4439929	3.70
03.	Sai Kumar Pallikonda Mohan	2500000	2.08	2500000	2.08
04.	Mustikovila Hari Hara Nath	2000000	1.67	2000000	1.67
05.	Sujata Pamerla	2000000	1.67	2000000	1.67
06.	Ravi Gampala	2000000	1.67	2000000	1.67
07.	Ravindranath Tagore Velicheti	1999999	1.67	1999999	1.67
08.	Kodali Radha Krishna	1904063	1.59	2000000	1.67
09.	Venkata Ramarao Bommaraju	1205000	1.00	1205000	1.00
10.	Himabindu Bellampally	1128380	0.94	928380	0.77

**E) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>1</b>	<b>Mullapudi Atchuta Rama Rao</b>				
	Opening Balance	76745156	63.97	76745156	63.97
	Acquisition/Disposal during the year				
	d. 07-08-2020 -18/09/2020	369079	0.30	77114235	64.33
	e. 23-09-2020	947680	0.78	78061915	65.12
	f. 24-12-2020	185000	0.15	78246915	65.29
	g. During 2020-21	89134	0.07	78336049	65.29
	<b>Closing Balance</b>	<b>78336049</b>	<b>65.29</b>	<b>78336049</b>	<b>65.29</b>
<b>2</b>	<b>Vuppuluri Sreedevi</b>				
	Opening Balance	30000	0.05	30000	0.05
	Acquisition/Disposal during the year	--	--	--	--
	<b>Closing Balance</b>	<b>30000</b>	<b>0.05</b>	<b>30000</b>	<b>0.05</b>
<b>3</b>	<b>Venkata Madhusudhana Rao Paladugu</b>				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4</b>	<b>Venkata Appala Narasimha Raju Kalidindi</b>				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5</b>	<b>Saibaba Karuturi</b>				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>6</b>	<b>Jagannatha Prasad Malireddy</b>				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7</b>	<b>Srinivasa Raju Kosuri</b>				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-

	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8</b>	<b>Raghuram Kusuluri</b>				
	Opening Balance	50000	0.06	50000	0.06
	Acquisition/Disposal during the year	-	-	-	-
	<b>Closing Balance</b>	<b>50000</b>	<b>0.06</b>	<b>50000</b>	<b>0.06</b>
<b>9</b>	<b>Shikha Gangrade</b>				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**V. INDEBTEDNESS -Indebtedness of the Company including Interest Outstanding/Accrued but Not Due for Payment**

(Rs. in Lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--
Change in Indebtedness during the financial year	--	--	--	--
* Addition	--	--	--	--
* Reduction	--	--	--	--
Net Change	--	--	--	--
<b>Indebtedness at the end of the financial year</b>	--	--	--	--
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	0.00	0.00	0.00	0.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### a) Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Directors	
		Vuppuluri Sreedevi (WTD)	Mullapudi Atchuta Rama Rao (MD)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	-	-
	Ceiling as per the Act (5% of the Net Profit)	1570350	1570350

### b) Remuneration to other Directors:

S. No	Particulars of Remuneration	Name of Directors						
		Mr. Sreenivasa Rao Potti*	Mr. China Surya Narayana Murthy Anupindi*	Mr. Venkata Madhusudhana Rao Paladugu	Mr. Venkata Appala Narasimha Raju Kalidindi	Mr. Saibaba Karuturi	Mr. Jagannath Prasad Malireddy	Total Amount
1	Independent Directors							
	Fee for attending board committee meetings	0.50 Lakhs	0.10 Lakh	1.00 Lakhs	0.80 Lakhs	0.40 Lakhs	-	2.8 Lakhs
	Commission	-	-	-				-
	Others, please specify	-	-	-				-
	<b>Total (1)</b>	<b>0.50 Lakhs</b>	<b>0.10 Lakh</b>	<b>1.00 Lakhs</b>	<b>0.80 Lakhs</b>	<b>0.40 Lakhs</b>	<b>-</b>	<b>2.8 Lakhs</b>
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	0.60 Lakhs	0.60 Lakhs
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.60 Lakhs</b>	<b>0.60 Lakhs</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.60 Lakhs</b>	<b>0.60 Lakhs</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>0.50 Lakhs</b>	<b>0.10 Lakh</b>	<b>1.00 Lakhs</b>	<b>0.80 Lakhs</b>	<b>0.40 Lakhs</b>	<b>0.60 Lakhs</b>	<b>3.4 Lakhs</b>
	Overall Ceiling as per the Act	-	-	-	-	-	-	-

**c) Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:**

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	Raghuram Kusuluri	Shikha Gangrade	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 18.50 Lakhs	Rs. 6.78 Lakhs	Rs. 25.28 Lakhs
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	Rs. 18.50 Lakhs	Rs. 6.78 Lakhs	Rs. 25.28 Lakhs

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## Annexure – D to Board's Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### A. Industry Structure and Development

IT Business of most Indian Software Development companies can be classified into Onsite Consulting Services, Offshore Software Services, Product Sales and IT Enabled Services. While Onsite Consulting Services has witnessed a steady growth, Offshore Software business has experienced a significant change either through Dedicated Development Centers for overseas partners or Joint Ventures. We have a global presence, deep domain expertise. The product sales of Indian companies in the international markets has been miniscule, while IT enabled services business has seen a strident growth during the last 7 to 8 years.

The future direction clearly favors Offshore Software Services and IT-enabled Services.

XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) is a Public Listed Company, incorporated and domiciled in India and has its registered office in Hyderabad, Telangana, India. It has a primary listing on BSE Limited (BSE).

#### B. Opportunities

- a. Offshore Software Maintenance and Enhancements
- b. IT Enabled Services/BPO Operations
- c. Increased IT spending within India

The Company has established adequate internal control systems and procedures both in financial and operational areas that are commensurate with the size and nature of the business of the Company. The constitution of Audit Committee with independent non-executive Directors is instrumental in ensuring mainly the following:

- Oversight of Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies, compliances with accounting standards etc.
- Discussion with the senior management to ensure adherence to the internal Control systems and processes.
- To ensure that appropriate controls are established and are effective throughout every software development project and conforming to Software Engineering Practices.

#### C. Threats, Risks and Concerns

1. Competition from countries like China and European Countries in the medium to long term.
2. Large international companies establishing their own subsidiaries instead of depending on Indian Companies.
3. Countries like USA bringing in legislation regarding VISA and work permits discourage hiring of resources from other countries.
4. Impact of COVID Pandemic

In spite of certain negative factors in the international markets, company believes that there are enough global opportunities to be tapped. Countries like China will take a few more years before they can provide wide ranging Software Services of high quality. Company intends to concentrate on Offshore opportunities in Software Maintenance and IT enabled services space as well as computer education and training in the coming few years.

#### D. Outlook

The management is planning to make reasonable business in the areas of Offshore IT consulting put more marketing efforts to secure Business. The company is looking for strategic business acquisitions to enhance

business opportunities and to gain operational synergy. The company is making endeavours to improve the financial strength of the company by raising funds through issue of Equity shares on preferential basis. The company is also striving hard to secure business opportunities in domestic market, USA and Middle East. To achieve this objective, the company hired marketing experts. The company was not able to raise finances due to the losses incurred by the company over the past few years, which have reduced the company to negative net worth. Your directors are contemplating various measures for improving the strength of the balance sheet and to enable the company to raise investment and other form of funding.

#### **E. Risk and Concerns**

The changing situation in USA and Europe may lead to more restrictions on offshore projects and stringent norms for Onsite Consulting services.

#### **F. Strategy**

XTGlobal has successfully navigated through multiple technology cycles over the last few years, pivoting and adapting each time to build relevant new capabilities through organic talent development and helping our clients realize the benefits of emerging technologies.

Our responsiveness, agility and adaptability to change have been core to our longevity.

Customer-centricity is at the core of XTGlobal' 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 business where we can add value, proactively invest in building newer capabilities, and launch new offerings to participate in those opportunities.

#### **G. Internal control system and their adequacy**

The Company has established adequate internal control systems and procedures both in financial and operational areas that are commensurate with the size and nature of the business of the Company. The constitution of Audit Committee with independent non-executive Directors is instrumental in ensuring mainly the following:

1. Oversight of Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies, compliances with accounting standards etc.
3. Discussion with the senior management to ensure adherence to the internal Control systems and processes.
4. To ensure that appropriate controls are established and are effective throughout every software development project and conforming to Software Engineering Practices.

#### **H. Discussion on financial performance with respect to operational performance**

Financial statements are prepared under the Historical Cost Convention in accordance with the Indian Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

The current scenario in the company is one wherein dynamic changes are the name of the game. There is a constant monitoring and improvement of systems and operations in the company. Appropriate actions both internally and externally are initiated to improve the prospects. Turnaround Management is initiated to revive the company's fortune by pulling together all the available resources for materializing all the available opportunities.

As indicated in the below table, XTGlobal has made an impressive turnaround in the year ended March, 2021, making a profit of Rs. 315.30 Lakhs. This indicates a new beginning that involved a planned strategy of taking in more resources and working on financially viable projects during the year as well as strategizing on opportunities and investments with a focus on revenues.

**The financial performance of the company over the years are as under:**

Sl. No.	Financial Year	Profit/Loss (Rs. In Lacs)
1	Year ending March 2012	(166.88)
2	Year ending March 2013	(7.15)
3	Year ending March 2014	(25.16)
4	Year ending March 2015	(25.82)
5	Year ending March 2016	(48.23)
6	Year ending March 2017	(20.13)
7	Year ending March 2018	(31.63)
8	Year ending March 2019	2.87
9	Year ending March 2020	230.63
10	Year ending March 2021	315.30

**I. Material development in human resources/Industrial relations front, including number of people employed.**

Human Resource Development is a key area for growth and smooth functioning of any organization. The management recognized two major areas, which will lead to achieve this goal, namely, creating good working environment and imparting continuous training in latest technologies. Continuous up gradation of skills plays a key role in employee's retention and job satisfaction and company has taken adequate measures in this regard.

The company has cordial relations with its employees and staff. Efforts of the company are well recognized in India as well as abroad.

**Key ratios\***

S. No.	Ratio	FY 2020-21	FY 2019-20
1	Debtors turnover ratio	4.1	6.38
2	Inventory Turnover ratio	Not Applicable	
3	Interest coverage ratio	Not Applicable	71.77
4	Current ratio	11.27	12.25
5	Debt equity ratio	0	0
6	Operating margin (%)	28.09	30.85
7	Net Profit margin (%)	31.35	44.06
8	Return on Net worth	0.05	0.04

\*On standalone basis

Increase in all key financial ratios for financial year 2020-21 when compared to that of financial year 2019-20 is due to increase in revenue with better profitability.

**Cautionary Statement**

Statements in this management discussion and analysis describing the company's objectives, projections, estimates, expectations might be considered forward looking statements and actual results could differ materially from those expressed or implied. Factors which could make a significant difference to the Company's operations include demand supply conditions, market prices, input component costs and availability, changes in Government regulations and tax laws besides other factors such as litigations, over which the Company may not have any control.

## CERTIFICATION BY WHOLETIME DIRECTOR

I, Vuppuluri Sreedevi, Whole-time Director of XTGlobal Infotech Limited (Formerly Frontier Informatics Limited), certify that:

1. I have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements present a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.
3. I accept overall responsibility for establishing and monitoring the company's internal control system for financial reporting and evaluating its effectiveness. Internal audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors and report significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of significant deficiencies and material weaknesses in the internal control system and any corrective action taken or proposed to rectify these deficiencies.
4. I indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year;
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting. However, there was no such instance.

**Place:** Hyderabad.

**Date:** 04<sup>th</sup> September, 2021

**Sd/-**

Vuppuluri Sreedevi  
Whole-time Director  
DIN: 02448540

## CERTIFICATE BY THE CFO OF THE COMPANY

To  
The Board of Directors  
XTGlobal Infotech Limited

Dear Sir/Madam,

As required under Regulation 17(8) of SEBI (LODR) Regulations, 2015 I state that:

1. I have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2021 and to the best of my knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the Company's affairs and are in compliance with the existing standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, and
4. That I have informed the auditors and the audit committee of:
  - a. Significant changes in the internal control during the year;
  - b. Significant changes in accounting policies during the year that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of Significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**Yours Sincerely,**

Sd/-

**Place:** Hyderabad

**Date:** 04<sup>th</sup> September 2021

K. Raghuram

Chief Financial Officer

## Annexure – E to Board’s Report

### REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred to as SEBI (LODR) Regulations, 2015}.

#### 1. Company’s Philosophy on Corporate Governance

Corporate Governance is the mechanism by which the values, principles, policies and procedures of Companies are manifested. Effective Corporate Governance is indispensable to resilient and vibrant capital markets and investor protection rests on this foundation. The core value of Corporate Governance lies in the principles of integrity, fairness, quality, transparency and accountability.

The Company is committed to good Corporate Governance in order to enhance value of its all stakeholders. To achieve the objectives of good Corporate Governance, the Company follows the principles of transparency, disclosures, fairness, independent supervision, healthy competition, production of quality products and services, compliance with all relevant laws, rules and regulations and meeting social responsibility. It is believed that good Corporate Governance by the Company would protect and enhance the trust of shareholders, customers, suppliers, financiers, employees, government agencies and the society in the Company.

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on 31<sup>st</sup> March, 2021.

#### 2. Board Composition and Category of Directors

The Board of Directors of the Company has combination of Executive and Non-Executive Directors. The Company had an Executive Chairman till 05<sup>th</sup> September, 2020 and thereafter Board has appointed an Independent Director as Chairman as required under Regulation 17(1)(b) of SEBI(LODR) Regulations, 2015. As on 31<sup>st</sup> March, 2021, the board consists of 7 (Seven) Directors, out of which 2 (Two) are Executive Directors, 3 (Three) are Independent Non- Executive Directors and 2 (Two) Non- Executive Directors. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, as specified in Regulation 26 of SEBI (LODR) Regulations, 2015, across all the Public Companies in which he/she is a director.

The composition and Category of Directors along with changes during the year are as follows:

S. No.	Category	Name of Director	Changes during the year	Reasons
1	Promoter and Executive Director	Mr. Ramarao Atchuta Mullapudi, Managing Director	Appointed on 13.04.2018 Reappointed as Managing Director on 01.10.2019	-
2	Executive Director	Ms. Vuppuluri Sreedevi, WTD	Appointed on 18.04.2018	-



3	Independent Directors	Mr. Venkata Madhusudhana Rao Paladugu	Appointed on 05.09.2019	Resignation Due to some Personal Reasons
		Mr. Venkata Appala Narasimha Raju Kalidindi	Appointed on 16.08.2020	
		Mr. Saibaba Karuturi	Appointed on 06.11.2020	
		Mr. Sreenivasa Rao Potti	Resigned on 30.09.2020	
		Mr. China S N Murthy Anupindi	Resigned on 14.07.2020	
4	Non-Executive Directors	Mr. Jagannatha Prasad Malireddy	Appointed on 16.08.2020	
		Mr. Srinivasa Raju Kosuri	Appointed on 08.12.2020	

### A. Number of Board Meetings held during the Financial Year 2020-21:

The Board of Directors met 8 (Eight) times during the Financial Year 2020-21 on 30<sup>th</sup> April 2020, 23<sup>rd</sup> July 2020, 16<sup>th</sup> August 2020, 05<sup>th</sup> September 2020, 02<sup>nd</sup> November 2020, 06<sup>th</sup> November 2020, 08<sup>th</sup> December 2020 and 03<sup>rd</sup> February 2021.

The gap between two meetings did not exceed one hundred and twenty days, proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for this purpose. The Company placed before the Board most of the information specified in Part A of Schedule II to the SEBI (LODR) Regulations, 2015 from time to time. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company takes effective steps to rectify instances of non-compliance, if any.

### B. Attendance of Directors at Board Meetings and General Meetings

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2020-21 and the last Annual General Meeting (AGM) held on 30<sup>th</sup> September 2020, also the number of Directorships and Committee positions held by them in other public limited companies as on 31<sup>st</sup> March 2021 are given below:

Directorship/ committee Membership as on 31<sup>st</sup> March 2021:

Name and Category of Directors	Designation	No. of Board Meetings Attended During 2020-21	Whether Attended Last AGM	No of Equity Shares Held	No. of Committee Positions Held in Other Public Companies/Listed Companies	
					As Chairman	As Member
Mr. Ramarao Atchuta Mullapudi,	Managing Director	7	Yes	78336049	-	-
Mrs. Vuppuluri Sreedevi,	Whole time Director	8	Yes	30,000	-	-
Mr. Venkata Madhusudhana Rao Paladugu,	Independent Director	8	Yes	-	-	-
Mr. Venkata Appala Narasimha Raju Kalidindi*	Independent Director	5	Yes	-	-	-
Mr. Jagannatha Prasad Malireddy*	Non-Executive Director	4	Yes	-	-	-

Mr. Saibaba Karuturi*	Independent Director	2	NA	-	-	-
Mr. Srinivasa Raju Kosuri*	Non-Executive Director	1	NA	-	-	-
Mr. Sreenivasa Rao Potti*	Independent Director	4	Yes	-	-	-
Mr. China S N Murthy Anupindi*	Independent Director	1	NA	-	-	-

# Represents Chairmanships/Memberships of Audit Committee, NRC Committee and Stakeholders Relationship Committee.

1. Mr. Venkata Appala Narasimha Raju Kalidindi was appointed as an Independent Director on 16.08.2020
2. Mr. Jagannatha Prasad Malireddy was appointed as Non-Executive, Non- Independent Director on 16.08.2020
3. Mr. Saibaba Karuturi was appointed as an Independent Director on 06.11.2020
4. Mr. Srinivasa Raju Kosuri was appointed as Non-Executive, Non-Independent Director on 08.12.2020
5. Mr. China S N Murthy Anupindi has resigned on 14.07.2020
6. Mr. Sreenivasa Rao Potti has vacated office on 30.09.2020

**C. Disclosure of relationships between directors inter-se:**

None of the director is related in any way with any other director or KMP of the Company.

**D. Number of shares held by non-executive directors:**

Non-Executive Directors are not holding any shares in the Company.

**E. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

Global Business	Understanding of diverse business environment, global dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Financial Management	Financial Management, capital allocation, resource utilization and assessing economic conditions
Strategy and Planning, Technology	Evaluate long term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. Anticipating technological trends, create new business models.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Leadership	Leadership experience for understanding the needs of the organization, risk management systems and succession planning for the organization.

The table below expresses the specific areas of focus or expertise of individual Board members. However, absence of a tick mark does not necessarily mean the member does not possess the corresponding skills/ expertise

Name of the Directors	Global business	Financial Management	Strategy and Planning, Technology	Governance	Leadership
Mr. Ramarao Atchuta Mullapudi, MD	✓	✓	✓	✓	✓
Ms. Vuppuluri Sreedevi, WTD	✓	✓	✓	✓	✓
Mr. Venkata Madhusudhana Rao Paladugu, Independent Director	—	✓	✓	✓	✓
Mr. Venkata Appala Narasimha Raju Kalidindi*	—	✓	✓	✓	✓
Mr. Jagannatha Prasad Malireddy*	—	—	✓	✓	✓
Mr. Saibaba Karuturi*	—	—	✓	✓	✓
Mr. Srinivasa Raju Kosuri*	✓	✓	✓	✓	✓

### Code of Conduct

The Code of Conduct as adopted by the Board of Directors, is applicable to the Directors, both executive and non-executive and Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

A declaration by the Managing Director affirming the compliance of the Code of Conduct for Board Members and senior management executives is also annexed separately at the end of this report.

### F. Independent Directors':

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 29<sup>th</sup> March, 2021, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

**Declaration by Independent Directors**

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Mr. P V Madhusudhana Rao and Mr. V. A. Narasimha Raju Kalidindi has passed the online proficiency self-assessment test undertaken by them. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Board/Committee of the Company.

**Familiarisation Program**

As required under Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, the Company regularly conducts Independent Director's Familiarisation Program. These Programs aim to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of program for familiarisation of the Independent Directors with the Company are available on the Company's website at [www.xtglobal.com](http://www.xtglobal.com).

During the year under review, Mr. China S N Murthy Anupindi has resigned from the Board before expiry of his tenure due to his personal reasons and pre-occupations and Mr. Sreenivasa Rao Potti has expressed his unwillingness for further appointment at AGM due to his pre-occupations.

**Monitoring Governance of Subsidiary Company**

The Company has one Indian unlisted material subsidiary i.e. Xenosoft Technologies (India) Private Limited, and is required to appoint Independent Director on the Board of its material subsidiary. Pursuant to regulation 16(1)(c) and Regulation 24 of the SEBI(LODR) Regulations, 2015 the Company has appointed Mr. Saibaba Karuturi, Independent on the Board of Xenosoft Technologies (India) Private Limited, before him Mr. Sreenivasa Rao Potti was appointed on the Board of Xenosoft Technologies (India) Private Limited.

The Financial Statements of the Subsidiaries are reviewed by the Audit Committee. The minutes of the meetings of the subsidiaries are placed before the Board of Directors of the Company, and the Board has periodically noted and reviewed all significant transactions entered into by the subsidiaries.

**3. Audit Committee**

Your Company's Audit Committee has been constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

**a. Composition, Meetings & Attendance:**

During the year under review, the Audit Committee met 5 (Five) times i.e. on 30<sup>th</sup> April 2020, 23<sup>rd</sup> July, 2020, 05<sup>th</sup> November, 2020, 08<sup>th</sup> December, 2020 and 02<sup>nd</sup> February, 2021 the gap between two meetings did not exceed one hundred and twenty days.

Audit Committee Composition and attendance as on 31<sup>st</sup> March 2021

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Venkata Appala Narasimha Raju Kalidindi	Independent Director	3	3
Venkata Madhusudhana Rao Paladugu	Independent Director	5	5
Vuppuluri Sreedevi	Executive Director	5	5
Sreenivasa Rao Potti (Upto 30 <sup>th</sup> September, 2020)	Independent Director	2	2

**b. Brief Description of Terms of Reference:**

1. The role of the audit committee in brief is to review financial statements, internal controls, accounting policies, internal audit, related party transactions and consideration of Valuation reports. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendations, before taking the same to the Board. The internal audit plans are drawn in consultation with the Managing Director, Chief Financial Officer, Heads of departments and the audit committee. The committee reviews the internal auditors review report periodically. The committee also tracks the implementation of its guidelines/suggestions through review of action taken reports. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the committee apart from details of material individual transactions with the related parties. The Representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings.
2. Approval of payment to statutory auditors for any other services rendered by them.
3. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
  - (i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of statutory audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements
  - (vi) disclosure of any related party transactions
  - (vii) Qualifications in the draft audit report
  - (viii) modified opinion(s) in the draft audit report

The Audit Committee has also performed scrutiny, review and consideration on the matters as stated under Schedule II Part C of SEBI(LODR) Regulations.

- c. Previous Annual General Meeting of the Company was held on 30<sup>th</sup> September, 2020 and Mr. Sreenivasa Rao Potti, Chairman of the Audit Committee for that period, attended previous AGM.

#### 4. Nomination and Remuneration Committee

Your Company's Nomination and Remuneration Committee has been constituted in accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

##### A. Composition, Meetings & Attendance:

The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an Independent Director. The Committee met 3 (Three) times during the year under review on 16<sup>th</sup> August, 2020, 05<sup>th</sup> November, 2020 and 08<sup>th</sup> December, 2020. The attendance record of the members at the meeting is as under:

Nomination and Remuneration Committee as on 31<sup>st</sup> March 2021

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Saibaba Karuturi	Independent Director	1	1
Venkata Madhusudhana Rao Paladugu	Independent Director	3	3
Venkata Appala Narasimha Raju Kalidindi	Independent Director	2	2
Sreenivasa Rao Potti (upto 30 <sup>th</sup> September, 2020)	Independent Director	1	1

##### B. Brief Description of Terms of Reference:

1. To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - i. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - ii. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
3. Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skill, independence, knowledge, age, gender and experience.
4. To carry out evaluation of every Director's performance.
5. To review, oversees, evaluate the criteria in relation appointment/remuneration and other matters under the SEBI (LODR) Regulations.

##### C. Performance Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its Committees, the Chairman of the Company and the Directors on the basis of the feedback received from all the Directors of the Company.



Structured performance evaluation questionnaire were circulated to the Directors for:

- Directors' – Self & Peer Level Evaluation;
- Board's Evaluation;
- Board Committees' Evaluation; and
- Chairman's Evaluation.

The summary of rating given by all the directors on the structured performance evaluation was placed before the Board of Directors.

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 for the Directors, key managerial personnel and other employees.

To formulate the criteria for evaluation of Independent Directors and the Board.

To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

**Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:**

Observations of Board evaluation carried out for the year	No observations
Previous year's observations and actions taken	Since no observations were received, no actions were taken
Proposed actions based on current year observations	Since no observations were received, no actions were taken

**D. Remuneration of Directors**

The non-executive directors do not receive any remuneration from the Company and are paid Sitting Fee for attending the meetings of the Board and Committee Meetings. There is no pecuniary relationship or transactions between independent non-executive Directors and the Company.

1. For the period under review no remuneration was paid to Executive Directors,. Hence the aggregate value of salary, perquisites to Managing/Executive Director is NIL.
2. Details of fixed component and performance linked incentives, along with the performance criteria – Company is not paying any performance linked incentives to directors.
3. Service contract, Notice period, severance fee to the above personnel –Nil
4. None of the directors have been granted stock options during the year.
5. The Sitting Fees paid to Non-Executive Directors is given below:

S. No.	Name of Director	Amount Paid
1	Mr. Sreenivasa Rao Potti	0.50 Lakhs
2	Mr. China Surya Narayana Murthy Anupindi	0.10 Lakhs
3	Mr. Venkata Madhusudhana Rao Paladugu	1.00 Lakhs
4	Mr. Venkata Appala Narasimha Raju Kalidindi	0.80 Lakhs
5	Mr. Saibaba Karuturi	0.40 Lakhs
6	Mr. Jagannatha Prasad Malireddy	0.60 Lakhs

6. Details of Shares of the Company held by the Directors as on March 31, 2021 are as below:

Name	Designation	No. of Shares
Ramarao Atchuta Mullapudi	Managing Director	7,83,36,049
Vuppuluri Sreedevi	Wholetime Director	30,000

**Remuneration policy:** The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the company and talents of the appointee. Policy for payment of remuneration to Non-Executive Directors is available on the Website of the Company.

## 5. Stakeholders Relationship Committee

Your Company's Stakeholders Relationship Committee has been constituted in accordance with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 of Companies Act, 2013.

### A. Composition, Meetings & Attendance:

The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an Independent Director. The Committee met one (1) time during the year under review on 08<sup>th</sup> December 2020.

Stakeholders Relationship Committee as on 31<sup>st</sup> March 2021

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Saibaba Karuturi	Independent Director	1	1
Vuppuluri Sreedevi	Whole-time Director	1	1
Jagannatha Prasad Malireddy	Non-Executive Director	1	1

### B. Brief Description of Terms of Reference:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfers/transmissions of shares, non-receipt of Annual Report, issue of new/duplicate share certificates and General Meeting.
2. The company has replied through the Depository Participant agent in respect of complaints received in the earlier year. The minutes of the Committee meetings are placed before the Board for its noting on a regular basis.

### C. DETAILS OF INVESTOR COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2020-21:

Particulars	Year ended 31.03.2021
Pending at the beginning of the year	NIL
Received during the year	9
Disposed of during the year	9
Remaining unresolved at the end of the year	NIL

**D. SCORES:**

The Securities and Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES, a web-based complaints redressal system. The system processes complaints in a centralized web-based mechanism. The company is in compliance with this system.

**E. Name and Designation of Compliance Officer:**

Ms. Shikha Gangrade  
Company Secretary & Compliance Officer  
Email: [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com)

**6. GENERAL BODY MEETINGS**

The details of last three Annual General Meetings (AGM) and three Extra Ordinary General Meetings (EGM) are given below:

Year	Type	Date of AGM/EGM	Time	Held at	No of Special Resolutions passed in AGM
2020	EGM	31 <sup>st</sup> December, 2020	10:30 AM	Held through Audio visual mode	Yes -2
2020	AGM	30 <sup>th</sup> September, 2020	10:00 AM	Held through Audio visual mode	Yes -2
2020	EGM	15 <sup>th</sup> February, 2020	10:00 AM	Hotel Minerva Grand, Hall Summit, First Floor, Beside 'Google' Office, Kondapur, Hyderabad - 500 084	Yes – 5
2019	AGM	30 <sup>th</sup> September, 2019	10.30 AM	Hotel Minerva Grand, Hall Summit, First Floor, Beside 'Google' Office, Kondapur, Hyderabad - 500 084	Yes –3
2019	EGM	30 <sup>th</sup> May, 2019	10:00 AM	Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, SD Road, Secunderabad	Yes-1
2018	AGM	29 <sup>th</sup> September, 2018	09.30 AM		Yes –2

There were no resolutions in the last year that were put through postal ballot. Similarly, no special resolutions are proposed to be passed through postal ballot in the ensuing Annual General Meeting.

**7. RISK ASSESSMENT AND MINIMISATION PROCEDURE**

In order to ensure that Management controls risk through means of a properly defined framework, a report on Risk Assessment and Minimization Procedure as prepared by functional heads of the Company is being reviewed periodically by the board of Directors. The Board of Directors of the Company is continuously briefed, by the Managing Director, with the developments and performance of the Company so as to enable them to monitor the same at regular intervals. Reports on risk assessment and minimization process and new initiatives proposed by the Company are also presented to them for suggestions and up gradation.

**8. DISCLOSURES****A. Related Party Transactions**

Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There

were no materially significant transactions with related parties during the year under review which were in conflict with the interest of the Company.

**B. Compliances made by the Company**

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; Penalty of Rs. 10,20,700/- have been imposed on the Company by the Stock Exchanges for some discrepancies observed in Corporate Governance of June, September & December, 2020, however BSE has approved waiver of Penalty for June, September, 2020 after the representation made by the Company.

**C. Communication to Shareholders**

The quarterly and Annual Results are being published in the Business Standard (English daily) and Nava Telangana (Telugu Daily). Quarterly and Annual Financial Results of the Company are furnished to the Stock Exchange as per the requirements of the Listing Agreement.

**D. Whistle Blower Policy**

The Company promotes a favourable environment for employees to have an open access to the Audit Committee, respective Functional Heads, Head- HRD, Man-aging Directors so as to ensure ethical and fair conduct of the business of the Company and that no personnel has been denied access to the Audit Committee.

**E. Remuneration to Statutory Auditors**

Details relating to fees paid to the Statutory Auditors are given in Note No. 19 to the Financial Statements.

**F. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2021 are as follows:

- a. Number of complaints filed during the financial year: 0
- b. Number of complaints disposed off during the financial year: 0
- c. Number of complaints pending as on end of the financial year: 0

**G. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule-V:**

The Company has complied with the requirement of Corporate Governance report of sub-paras (2) to (10) of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

H. Company's Policy for determining 'material' subsidiaries is available on the Company's website- <https://xtglobal.com/investors/>

I. Company's policy for dealing with related party transactions is available on the Company's website- <https://xtglobal.com/investors/>

J. Disclosures with respect to demat suspense account/ unclaimed suspense account  
There was no instance with respect to demat suspense account/ unclaimed suspense account.

**K. Regulations for Prevention of Insider Trading:**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider for its Directors, Officers and Specified Employees.

Ms. Shikha Gangrade, Company Secretary is the Compliance Officer is monitoring under the said Code.

- L. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015:

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 except as mentioned in the director report.

**M. Code of Conduct**

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practice and procedure for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

**N. Disclosure of Accounting Treatment**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

**O. CEO/CFO Certification**

In terms of regulation 17(8) of the Listing Regulations, the CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed as Annexure to this Annual Report.

**P. Reconciliation of Share Capital Audit**

A qualified Practicing Company Secretary carries out Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit confirms that the total Issued / Paid-up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**Q. Means of Communication**➤ **Quarterly Results**

The Company's Quarterly Results are submitted to the Stock Exchanges, published in newspapers and also displayed on the Company's website.

➤ **Newspaper wherein Results normally published in**

Financial Express (English Daily) and Nava Telangana (Telugu daily)

➤ **Any website, where displayed**

<http://www.xtglobal.com>

➤ **Whether it also displays official news release**

No

➤ **The presentations made to institutional investors or to the analysts**

No such occasion arose during the year under review.

## 9. General Shareholders Information

The following information would be useful to Shareholders:

- a. The 33<sup>rd</sup> Annual General Meeting of the Company will be held at 10:30 AM on Wednesday, the 29<sup>th</sup> day of September, 2021 through Audio Visual Mode pursuant to the MCA Circular dated 13<sup>th</sup> January, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
- b. The Financial Year of the Company was from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.
- c. Date of Book Closure: from Thursday the 23<sup>rd</sup> Day of September, 2021 to Wednesday, the 29<sup>th</sup> day of September, 2021 (inclusive of both days)
- d. The Shares of the Company are listed on the BSE Limited, Mumbai.
- e. The Stock Code is 531225
- f. The CIN number of the Company is: L72200TG1986PLC006644
- g. Address for correspondence: Plot Nos. 31 (part) & 32, Third Floor, Tower A, Ramky Selenium, Financial District Nanakramguda, Hyderabad, Telangana, 500032.  
Email ID: [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com)
- h. The Share and Depository Transfer Agent: M/s. KFin Technologies Pvt Ltd, Karvy Selenium Tower – B, Plot No 31–32, Gachibowli, Financial District, Nanakramguda, Hyderabad.
- i. Dematerialization of Shares: The Company's shares are traded compulsorily in dematerialized form. In this connection, the Company has already entered into an agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE547B01028. The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form. As on 31<sup>st</sup> March 2021. 11,93,11,077 shares are under dematerialization, representing 99.45% of the paid-up capital.
- j. **Distribution of shareholding as on 31<sup>st</sup> March 2021:**

Holding of number of Shares or Debentures	No. of Share/Debenture (Holders)			Shares/Debentures (Amount)	
	Share holders	Number of Shares	% Holders	Amount of Shares (Rs.)	%
1 – 5000	11,275	35,13,706	97.98	35,13,706	2.93
5001 – 10000	94	6,98,943	0.82	6,98,943	0.58
10001 – 20000	52	7,56,691	0.45	7,56,691	0.63
20001 – 30000	22	5,49,946	0.19	5,49,946	0.46
30001 – 40000	6	2,11,658	0.05	2,11,658	0.17
40001 – 50000	9	4,32,551	0.08	4,32,551	0.36
50001 – 100000	17	13,00,854	0.15	13,00,854	1.08
100001 – Above	32	11,25,03,278	0.28	11,25,03,278	93.78
<b>Total</b>	<b>10,857</b>	<b>119,967,627</b>	<b>100.00</b>	<b>119,967,627</b>	<b>100.00</b>

**a) Market Price Movement: The details of monthly high and low market price of equity shares at the stock exchange, Mumbai are as given below:**

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April, 2020	11.35	9.45	October, 2020	29.00	22.05
May, 2020	16.45	11.57	November, 2020	27.95	23.00
June, 2020	16.45	13.95	December, 2020	36.55	24.35
July, 2020	17.55	13.10	January, 2021	30.95	23.10
August, 2020	23.20	14.25	February, 2021	30.90	22.50
September, 2020	26.90	18.90	March, 2021	26.55	20.65

**b) Shareholding Pattern as on 31<sup>st</sup> March 2021**

S. No.	Category	No. of shares	% of shareholding
1	Promoters	82618248	68.87
2	Mutual funds and UTI	5900	0.00
3	Banks, Financial Institution, Insurance companies	2800	0.00
4	Foreign Portfolio Investors/FIIs	600	0.00
4	Private Corporate Bodies	349542	0.29
5	Indian Public	11313912	9.42
6	NRIs/ Foreign Nationals/OCBs	25673289	21.42
7	Trust	2245	0.00
8	Clearing Members	1091	0.00
	<b>Total</b>	<b>119967627</b>	<b>100.00</b>

c) Outstanding ADRs/GDRs/Equity shares or any convertible instruments, conversion date and likely impact on equity: Not Applicable

d) Our address for Correspondence: Plot No. 31 P & 32, 3<sup>rd</sup> Floor, Tower A, Ramky Selenium, Financial District, Nanakramguda, Hyderabad-500032, Telangana, India and email to: [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com) by quoting their DP Id or Folio Number.

**k. Share Transfer System:**

To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to M/s KFin Technologies Private Limited, Registrar and Share Transfer Agent of the Company. The delegated authority attends to share transfer formalities fortnightly. Shares lodged in physical form with the Company/its Registrars & Share Transfer Agent are processed and generally returned within fifteen days from the date of receipt so long as the documents have been clear in all respects. Shares under objection are returned within fifteen days from receipt of the documents.

**l. Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the



Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

**m. Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

## Practicing Company Secretary's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Members of XTGlobal Infotech Limited

This report contains details of compliance of conditions of Corporate Governance by XTGlobal Infotech Limited ('the Company'), for the year ended 31st March 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

### Management's Responsibility

The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents.

This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Our Responsibility

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2021.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016), 'Guidance Note on Certification of Corporate Governance', both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

### Our Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as per the Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

For VCSR & Associates  
Company secretaries

**Place:** Hyderabad  
**Date:** 04<sup>th</sup> September, 2021  
**UDIN:** F006121C000895625

**Sd/-**  
Ch. Veeranjanyulu (Partner)  
C P No: 6392

## INDEPENDENT AUDITORS' REPORT ON STANDALONE QUARTERLY FINANCIAL RESULTS OF XTGLOBAL INFOTECH LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO  
THE BOARD OF DIRECTORS OF  
XTGLOBAL INFOTECH LIMITED,  
(FORMERLY FRONTIER INFORMATICS LIMITED)

### Opinion

We have audited the accompanying Statement of Standalone Financial Results of XTGlobal Infotech Limited (the "Company"), for the quarter and year ended March 31, 2021 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- I. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- II. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2021.

### Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA" s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

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

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD 1 /44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**For NIRANJAN & NARAYAN**

Chartered Accountants

ICAI FRN:005899S

Place: Hyderabad

Date: 18/05/2021

**M NIRANJAN**

Partner

Membership Number:029552

**UDIN: 21029552AAA AFK4016**

**XTGlobal Infotech Limited****Standalone Balance Sheet**

As at March 31, 2021

₹ in Lakhs

Particulars	Note No.	As at	
		Mar 31, 2021	Mar 31, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3	48.06	34.85
Financial Assets			
Investments	4	5,103.63	4,872.77
Loans	5	408.99	-
Other Financial Assets			
Tax Assets (net)		26.36	28.46
Deferred Tax Assets (net)	6	169.62	77.81
<b>Total Non-current Assets</b>		<b>5,756.66</b>	<b>5,013.90</b>
<b>Current Assets</b>			
Financial Assets			
Trade Receivables	7	127.62	120.36
Cash and Cash Equivalents	8	107.17	610.62
Other Current Assets	9	102.32	57.86
<b>Total Current Assets</b>		<b>337.11</b>	<b>788.84</b>
<b>TOTAL ASSETS</b>		<b>6,093.77</b>	<b>5,802.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	1,199.68	1,199.68
Other Equity		4,845.01	4,530.94
<b>Total Equity</b>		<b>6,044.69</b>	<b>5,730.61</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Provisions	11	19.20	4.84
<b>Total Non-current Liabilities</b>		<b>19.20</b>	<b>4.84</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables			
Dues of creditors other than micro enterprises and small enterprises		7.04	15.65
Other Current Liabilities	12	17.19	44.78
Provisions	13	5.66	6.85
<b>Total Current Liabilities</b>		<b>29.89</b>	<b>67.28</b>
<b>Total Equity and Liabilities</b>		<b>6,093.77</b>	<b>5,802.73</b>

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For Niranjn & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

M. Niranjn  
Partner  
Membership Number: 029552

Ramarao A Mullapudi  
Managing Director  
DIN:02302179

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

K Raghuram  
CFO

G Shikha  
Company Secretary

Hyderabad, India  
Date: May 18, 2021

Hyderabad, India  
Date: May 18, 2021

**Standalone Statement of Changes in Equity****A. Equity Share Capital**

₹ in Lakhs

Balance as at April 01, 2020 1,199.68	Changes during the year 0.00	Balance as at March 31, 2021 1,199.68
Balance as at April 01, 2019 126.55	Changes during the year 1,073.12	Balance as at March 31, 2020 1,199.68

**B. Other Equity**

₹ in Lakhs

Particulars	Reserves and surplus		Other comprehensive income	Total
	Securities Premium	Retained Earnings		
Balance as at April 01, 2019	-	(301.90)	-	(301.90)
Transfers during the year	4,602.21	230.63	-	4,832.84
Balance as at March 31, 2020	4,602.21	(71.27)	-	4,530.94
Balance as at April 01, 2020	4,602.21	(71.27)	-	4,530.94
Transfers during the year		315.30	(1.23)	314.07
Balance as at March 31, 2021	4,602.21	244.03	(1.23)	4,845.01

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For Niranjn & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

M. Niranjn  
Partner  
Membership Number: 029552

Ramarao A Mullapudi  
Managing Director  
DIN:02302179

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

Hyderabad, India  
Date: May 18, 2021

K Raghuram  
CFO

G Shikha  
Company Secretary

Hyderabad, India  
Date: May 18, 2021



**Standalone Statement of Profit and Loss**

For the year ended March 31, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended	
		Mar 31, 2021	Mar 31, 2020
Revenue from operations	14	1,005.61	523.39
Other Income	15	34.52	48.50
<b>Total Income</b>		<b>1,040.14</b>	<b>571.89</b>
<b>EXPENSES</b>			
Employee benefits expenses	16	605.97	308.38
Finance costs	17	-	2.25
Depreciation and amortization expense	3	19.02	8.19
Other expenses	18	132.61	93.83
<b>Total expenses</b>		<b>757.60</b>	<b>412.65</b>
Profit before exceptional items and tax		282.54	159.24
Exceptional Items		1.13	-
<b>Profit before tax</b>		<b>281.41</b>	<b>159.24</b>
Tax expense:			
Deferred tax		(48.01)	(71.39)
Prior period taxes		14.11	-
<b>Profit for the year</b>		<b>315.30</b>	<b>230.63</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(1.23)	-
<b>Total Other Comprehensive Income</b>		<b>(1.23)</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>314.07</b>	<b>230.63</b>
<b>Earnings per equity share</b>			
Basic		0.26	0.35
Diluted		0.26	0.35

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For Niranjn & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

Ramarao A Mullapudi  
Managing Director  
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M. Niranjn  
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Membership Number: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Hyderabad, India  
Date: May 18, 2021

Hyderabad, India  
Date: May 18, 2021

**Standalone Statement of Cash Flows**

For the year ended March 31, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended	
		Mar 31, 2021	Mar 31, 2020
<b>Cash Flow from Operating Activities</b>			
Profit before tax		281.41	230.63
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		19.02	8.19
Deferred taxes		(57.92)	(71.39)
Finance cost		-	2.25
Interest and dividend income		(41.55)	(11.08)
Provisions		14.36	11.69
Other comprehensive income		(1.23)	-
<b>Changes in assets and liabilities</b>			
Trade receivables and unbilled revenue		(7.26)	(76.68)
Trade payables		(8.61)	2.18
Other financial assets and other assets		(37.94)	(63.97)
Other financial liabilities, other liabilities and provision		(28.78)	33.72
Cash generated from operating activities		131.49	65.55
Income taxes paid		(4.41)	-
<b>Net cash generated from operating activities</b>		<b>127.08</b>	<b>65.55</b>
<b>Cash Flow from Investing Activities</b>			
Expenditure on property, plant and equipment		(32.23)	(34.37)
Proceeds from disposal of property, plant and equipment		-	8.37
Loan given to subsidiaries		(389.83)	-
Investment in subsidiaries		(230.86)	(4,872.77)
Goodwill		-	-
Proceeds from return of investment		22.40	11.08
<b>Net cash used in investing activities</b>		<b>(630.53)</b>	<b>(4,887.69)</b>
<b>Cash Flow from Financing Activities</b>			
Issue of Equity share capital		-	5,675.33
Repayment of borrowings (net)		-	(243.32)
Finance cost paid		-	(2.25)
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>5,429.76</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(503.45)</b>	<b>607.62</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>610.62</b>	<b>3.00</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>107.17</b>	<b>610.62</b>

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For Niranjn &amp; Narayan

Chartered Accountants

Firm's Registration No.: 005899S

M. Niranjn

Partner

Membership Number: 029552

Hyderabad, India

Date: May 18, 2021

For and on behalf of the Board of Directors

XTGlobal Infotech Limited

Ramarao A Mullapudi

Managing Director

DIN:02302179

Sreedevi Vuppuluri

Whole-time Director

DIN:02448540

K Raghuram

CFO

G Shikha

Company Secretary

Hyderabad, India

Date: May 18, 2021

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

### **A. General Information**

XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) was incorporated under the provisions of Companies Act, 1956 as a limited company on July 29, 1986. It has been operating in the spheres of Software product development, training and software services since its inception. The Equity shares of the company are listed in Bombay Stock Exchange Limited (BSE) since 1996.

### **B. Basis of preparation of financial statements**

#### **B.1. Statement of Compliance**

These financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) Specified under section 133 of the Companies Act 2013("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other provisions to the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. Previous year figures have been regrouped/re-arranged, wherever necessary.

The financial statements were authorized for issue by the Company's Board of Directors on 18<sup>th</sup> May 2021.

Details of the accounting policies are included in Note 1.

#### **B.2 Basis of preparation and presentation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared under the historical cost convention and on an accrual and going concern basis except for the material items:

- Derivative financial instruments are measured at fair value.
- The defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.
- Long term loans are measured at amortized cost using the effective interest rate method.

#### **B.3 Functional and presentation currency**

The financial statements are presented in Indian rupees, which is the functional currency of the Company. All amounts are in Indian Rupees except share data, unless otherwise stated.

#### **B.4 Operating Cycle**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind-As and in the Schedule III to the Companies Act, 2013.

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**B.5 Critical accounting judgements and key sources of estimation uncertainty.**

In the application of the Company's accounting policies, which are described in Note 1, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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 periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**a) Revenue recognition:**

The Company applies judgement to determine whether each service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the standalone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**b) Impairment testing**

Investments in subsidiaries and intangible assets (if any) are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**c) Income Taxes**

Tax jurisdiction for the Company is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in Income tax assessments. Such assessments involve complex issues which would only be resolved over extended time periods.

**d) Deferred Taxes**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

**e) Defined Benefit Plans and Compensated Absences**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method as recommended by Ind AS 19. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f) Useful Lives of Property, Plant and Equipment**

The company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. Depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed by management of the Company periodically, including at end of each financial year.

**B.6. Fair Value Measurement and Valuation Process:**

The company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**1. Significant Accounting Policies****1.1 Revenue Recognition**

The Company derives revenue primarily from software development, maintenance of software and related services and business process services.

Revenues are shown net of goods and services tax. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company reliably expects to receive in exchange for those products or services. To recognise revenues, the Company applies the following five step approach:

- 1) identify the contract with a customer,
- 2) identify the performance obligations in the contract,
- 3) determine the transaction price,
- 4) allocate the transaction price to the performance obligations in the contract, and
- 5) recognise revenues when a performance obligation is satisfied

At contract inception, the Company assesses its promise to transfer its services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices for similar deliverables or the company uses expected cost-plus margin approach in estimating the stand-alone selling price.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. In case of volume-based contracts, revenues and costs are recognized as related services are rendered.

## 1.2 Other Income

Other income is comprised primarily of interest income, rental income and exchange gain / loss. Interest income is recognized using the effective interest method.

## 1.3 Foreign Currency Transactions.

### Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off wherever required)

### Transactions and translations

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which it arises except for;

(a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.

(b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

#### 1.4 Taxes on Income Tax and Deferred Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### 1) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be paid to the income tax authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

##### 2) Deferred income tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realized. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

##### 3) Minimum Alternate Tax

MAT credit entitlement represents amounts paid in a year under Section 115JB of the Income Tax Act 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off against future tax payments for ten succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as 'MAT Credit entitlement', under 'Other non-current financial assets' in balance sheet with a corresponding credit to the profit and loss account, as a separate line item. Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

#### 1.5 Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company and includes post tax effect of any exceptional item by the weighted average number of equity shares outstanding during the period excluding the shares owned by the Trust, outstanding during the period.



Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### 1.6 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Cost of an item of PPE comprises of its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

### 1.7 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life as per Ind AS 16 and is provided on a Reduced Balance Method basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Particulars	Useful life
Plant and Machinery	3
Network Devices	6
Office Equipment – Others	5

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

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.

## 1.8 Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount.

## 1.9 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### Investments

Investment in subsidiaries are measured at cost less impairment.

### Financial assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial Assets at Fair Value through other Comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial Assets at Fair Value through Profit or Loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

### Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or

loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## **Derecognition**

### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks

and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

## **1.10 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

## **1.11 Statement of Cash Flows (Cash Flow Statement)**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

## **1.12 Employee benefits**

### **1. Provident Fund:**

Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust

managed by the Company or Government administered provident fund. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

## 2. Gratuity:

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

## 3. Compensated Absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by Estimation Basis. The actuarial valuation is done at the end of the year. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

### 1.13 Investments in Subsidiaries and Associates

The company's investment in its Subsidiaries and Associates are carried at cost.

Disclosure under Ind AS 19 "Employee Benefits" are given below

#### A. Gratuity:

**Table 1: Change in Defined Benefit Obligation**

S. No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	DBO at the beginning of the period	-	4,85,014
2	Liability Transfer in	-	-
3	Interest Expense	-	32,981
4	Past Service Cost/(credit) – vested benefits	26,227	-
5	Past Service Cost/(credit) – Non vested benefits	-	-
6	Current Service Cost	4,58,787	4,35,671
7	Curtailment Cost/ (credit)	-	-
8	Settlement Cost/ (credit)	-	-
9	Plan Amendments	-	-
10	Benefit payments	-	-
11	Actuarial (gains) loss on Obligation	-	1,22,721
12	<b>DBO at the end of the period</b>	4,85,014	10,76,387

#### Bifurcation of the present value of obligation at the end of the year

	31-03-2020	31-03-2021
Current Liabilities	928	2,350
Non-Current Liabilities	4,84,085	10,74,036

**Table 2: Change in Fair Value of Plan Assets**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Fair value of plan assets at the beginning of the period	-	-
2	Adjustment to opening balance (for charges)	-	-
3	Expected return on plan assets (calculated at discount rate)	-	-
4	Employer's contributions	-	-
5	Employee's contributions	-	-
6	Benefit payments	-	-
7	Return on plan assets, excluding amount recognized in net interest expense	-	-
8	Fair value of plan assets at the end of the period	-	-

**Table 3: Fair Value of Plan Assets**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Fair value of plan assets at the beginning of the period	-	-
2	Adjustment to opening balance (for charges)	-	-
3	Actual return on plan assets	-	-
4	Employer's contributions	-	-
5	Employee's contributions	-	-
6	Benefit payments	-	-
7	Fair value of plan assets at the end of the period	-	-

**Table 4: Net Interest (Income)/Expense**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Interest Expense – Obligation	-	32,981
2	Interest Income – Plan Assets	-	-
3	Net Interest (Income)/ Expense for the year	-	32,981

**Table 5: Breakup of Service Cost**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Past Service Cost	26,227	-
2	Current Service Cost	4,58,787	4,35,671
3	Curtailement Cost/ (Credit) on Plan amendments	-	-
4	Settlement Cost/ (Credit) on Plan amendments	-	-

**Table 6: Re-measurements for the Year (Actuarial (Gains)/ Loss)**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Experience (Gain)/ Loss on plan liabilities	-	1,42,505
2	Demographic (Gain)/ Loss on plan liabilities	-	-
3	Financial (Gain)/ Loss on plan liabilities	-	(19,784)
4	Experience (Gain)/ Loss on plan assets	-	-
5	Financial (Gain)/ Loss on plan assets	-	-

**Table 7: Amount Recognized in the Statement of Other Comprehensive Income - OCI**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Actuarial (gain)/ loss for the year – Obligation	-	1,22,721
2	Return on plan assets, excluding amount recognized in net interest expense	-	-
3	Re-measurements cost/ (credit) for the year	-	1,22,721

**Table 8: Amount Recognised in the Balance Sheet**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Present value of the Obligation as at the end of the period	4,85,014	10,76,387
2	Fair Value of the Plan Assets as at the end of the period	-	-
3	Funded Status - Deficit/ (Surplus)	4,85,014	10,76,387
4	Net Asset / (Liability) recognized in the balance sheet	(4,85,014)	(10,76,387)

**Table 9: Net Periodic Benefit Cost Recognized in the Statement of Profit and Loss**

S. No.	Particulars	In Rs
1	Current Service Cost	4,35,671
2	Past Service Cost	-
3	Net Interest (Income)/ Expense	32,981
4	Curtailment Cost/ (Credit)	-
5	Settlement Cost/ (Credit)	-
6	Net Periodic Benefit cost recognized in P & L	4,68,582

**B. Leave Encashment****Table 1: Change in Defined Benefit Obligation**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Present Value of the Obligation as at the beginning of the period	-	-
2	Acquisition adjustment	-	-
3	Transfer In/ (Out)	-	-
4	Interest Expense	-	-
5	Past Service Cost/(credit) – vested benefits	-	-
6	Past Service Cost/(credit) – Non vested	-	-
7	Current Service Cost	-	11,56,388
8	Curtailment Cost/ (credit)	-	-
9	Settlement Cost/ (credit)	-	-
10	Benefit payments	-	(2,77,261)
11	Remeasurement or Actuarial (gains) loss on Obligation arising from:		
12	- change in demographic assumptions	-	-
13	- change in financial assumptions	-	-
14	- experience variance (actual experience Vs assumptions)	-	-
15	Present Value of the Obligation as at the end of the period	-	8,79,127

**Table 2: Bifurcation of the Present Value of Obligation at the End of the Year**

	31-03-2020	31-03-2021
Current Liabilities	-	33,086
Non-Current Liabilities	-	8,46,040

**Table 3: Change in Fair Value of Plan Assets**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Fair value of plan assets at the beginning of the period	-	-
2	Acquisition Adjustment	-	-
3	Interest income on plan assets (calculated at discount rate)	-	-
4	Employer's contributions	-	-
5	Employee's contributions	-	-
6	Benefit payments	-	-
7	Return on plan assets, excluding amount recognized in net interest expense	-	-
8	Fair value of plan assets at the end of the period	-	-



**Table 4: Amount to be recognised in the Balance Sheet**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Present value of the Obligation as at the end	-	8,79,127
2	Fair Value of the Plan Assets as at the end of the period	-	-
3	Funded Status - Deficit/ (Surplus)	-	8,79,127
4	Net Asset / (Liability) recognized in the	-	(8,79,127)

**Table 5: Expense recognised in the statement of Profit and Loss**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Current Service Cost	-	11,56,388
2	Acquisition (Gain)/ Loss	-	-
3	Past Service Cost	-	-
4	Interest Cost	-	-
5	Expected Return on Plan Assets	-	-
6	Curtailement (Gain)/ Loss	-	-
7	Settlement (Gain)/ Loss	-	-
8	Transfer In/ (Out)	-	-
9	Remeasurement or Actuarial (Gain)/ Loss recognized in the period	-	-
10	Expense recognized in the statement of P&L at the end of the period	-	11,56,388

**Table 6: Reconciliation of Net Assets/ (Liability) recognised**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Net Asset/ (liability) recognized at the beginning of the period	-	-
2	Company Contribution	-	-
3	Benefits paid directly by the company	-	2,77,261
4	Expense recognized at the end of the period	-	(11,56,388)
5	Mortality Charges and taxes	-	-
6	Impact of Transfer (In)/ Out	-	-
7	Net Asset/ (liability) recognized at the end of the period	-	(8,79,127)

#### 4. Notes to Standalone financial statements for the year ended March 31, 2021

Accounts in the financial statements are presented in Rupees (₹), except for per share data and as otherwise stated.

##### 4.1 Disclosure of related parties/related party transactions pursuant to IND AS24 "Related Party Disclosures"

###### Names of the related parties and nature of relationship:

Name of the related party	Nature of relationship
<b>Entities controlled/ jointly controlled by Key Management Personnel</b>	
Xenosoft Technologies (India) Private Limited <sup>(1)</sup>	Wholly owned- Subsidiary
XTGlobal Inc.	Indirect subsidiary
<b>Key-management personnel (KMP)</b>	
Mr. Ramarao Atchuta Mullapudi	Chairman and Managing Director
Ms. Sreedevi Vuppuluri	Whole-time Director
Mr. Venkata Madhusudhana Rao Paladugu	Independent Director
Mr. China Surya Narayana Murthy Anupindi	Independent Director
Mr. Sreenivasa Rao Potti	Independent Director
Mr. Narasimha Raju Kalidindi	Independent Director
Mr. Jagannatha Prasad Malireddy	Non-Executive Director
Mr. Saibaba Karuturi	Independent Director
Mr. Srinivasa Raju Kosuri	Non-Executive Director
Mr. Raghuram Kusuluri	Chief Financial Officer
Ms. Shikha Gangrade	Company Secretary

###### Transactions with Related Parties during the year ended March 31, 2021

Nature of transaction	Key-management personnel	Rs. In Lakhs	
		Entities controlled/ jointly controlled by KMP	Balance as on March 31, 2021
Sale of services			
- XTGlobal Inc.	-	911.22	82.24
Rental of office space from			
- Xenosoft Technologies (India) Private Limited	-	11.04	1.02
Loan given to Xenosoft Technologies (India) Private Limited	-	408.99	408.99
Remuneration to			
- Mr. Raghuram Kusuluri	18.50	-	-
- Ms. Shikha Gangrade	6.78	-	-
Sitting fee to			
- Mr. Sreenivasa Rao Potti	0.50	-	-
- Mr. China Surya Narayana Murthy Anupindi	0.10	-	-
- Mr. Narasimha Raju Kalidindi	0.80	-	-
- Mr. Venkata Madhusudhana Rao Paladugu	1.00	-	-
- Mr. Jagannatha Prasad Malireddy	0.60	-	-
- Mr. Saibaba Karuturi	0.40	-	-

**4.2** In the opinion of the Board of Directors of the company the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they have been stated in the Balance Sheet as on March 31, 2021.

**4.3** Letters have been issued to parties for confirmation of balances with the request to confirm or send comment by the stipulated date failing which balance as indicated in the letter would be taken as confirmed.

**4.4** The Company has during the year sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, the Company believes that it does not have any outstanding dues to micro, small and medium enterprises. Further, the Company has not paid any interest to the micro, small and medium enterprises.

#### 4.5 Earnings per share (EPS)

The computation of Earnings per share is set out below:

	Year ended March 31, 2020	Year ended March 31, 2021
Earnings: (₹)		
Net Profit for the year	2,30,63,087	3,14,07,499
Shares:		
Number of shares at the beginning of the year	1,26,55,200	11,99,67,627
Add: No. of equity shares issued	10,73,12,427	-
Total number of equity shares outstanding at the end of the year	11,99,67,627	11,99,67,627
Weighted average number of equity shares outstanding during the year	6,63,52,686	11,99,67,627
Basic and Diluted Earnings per share - Par value of ₹10 (₹)	0.35	0.26

**4.8** During the month of March 2020, sudden outbreak of COVID-19 pandemic has pushed governments to enforce lock-downs in various stages. Due to Business continuity plan of the company, the company was able to continue its business processes and deliver to its clients seamlessly without disruptions though most of the employees working from home. In spite of uncertainties and unprecedented business crisis all over the globe, it is believed that the company could steer through turbulent times.

**4.9** The previous period figures have been regrouped / re-classified, wherever necessary to conform to the current period presentation.

For Niranjana & Narayan  
Chartered Accountants

For and on behalf of the board

M. Niranjana  
Partner,  
Membership No.029552

M Atchuta Ramarao  
Managing Director

V. Sreedevi  
Whole-Time Director

Place: Hyderabad  
Date: 18<sup>th</sup> May 2021

K Raghuram  
CFO

G Shikha  
Company Secretary

**Notes Forming Part of The Standalone Financial Statements**

For the year ended March 31, 2021

**Note 3 : Property, Plant and Equipment**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 :

₹ in Lakhs

Particulars	Computers	Office Equipment	Furniture and Fixtures	Freehold Land	Freehold Buildings	Other Assets	Total
Gross carrying value as at April 01, 2020	38.93	0.51	3.75	-	-	-	43.20
Additions	32.23	-	-	-	-	-	32.23
Deletions	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2021	71.16	0.51	3.75	-	-	-	75.43
Accumulated depreciation as at April 01, 2020	8.02	0.04	0.28	-	-	-	8.35
Depreciation	18.29	0.10	0.63	-	-	-	19.02
Accumulated depreciation on deletions	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	26.31	0.14	0.91	-	-	-	27.36
Carrying value as at April 01, 2020	30.91	0.47	3.47	-	-	-	34.85
Carrying value as at March 31, 2021	44.85	0.37	2.85	-	-	-	48.06

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 :

₹ in Lakhs

Particulars	Computers	Office Equipment	Furniture and Fixtures	Freehold Land	Freehold Buildings	Other assets	Total
Gross carrying value as at April 01, 2019	8.83	-	-	-	-	-	8.83
Additions	30.10	0.51	3.75	-	-	-	34.37
Deletions	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2020	38.93	0.51	3.75	-	-	-	43.20
Accumulated depreciation as at April 01, 2019	0.16	-	-	-	-	-	0.16
Depreciation	7.86	0.04	0.28	-	-	-	8.19
Accumulated depreciation on deletions	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2020	8.02	0.04	0.28	-	-	-	8.35
Carrying value as at April 01, 2019	8.67	-	-	-	-	-	8.67
Carrying value as at March 31, 2020	30.91	0.47	3.47	-	-	-	34.85

**Note : Intangible Assets**

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2021 :

Particulars	₹ in Lakhs		
	Computer Software	Others	Total
Gross carrying value as at April 01, 2020	-	-	-
Additions	-	-	-
Deletions	-	-	-
Gross carrying value as at March 31, 2021	-	-	-
Accumulated amortization as at April 01, 2020	-	-	-
Amortization expense	-	-	-
Accumulated amortization on deletions	-	-	-
Accumulated amortization as at March 31, 2021	-	-	-
Carrying value as at April 01, 2020	-	-	-
Carrying value as at March 31, 2021	-	-	-

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2020 :

Particulars	₹ in Lakhs		
	Computer Software	Others	Total
Gross carrying value as at April 01, 2019	61.33	-	61.33
Additions	-	-	-
Deletions	61.33	-	61.33
Gross carrying value as at March 31, 2020	-	-	-
Accumulated amortization as at April 01, 2019	52.96	-	52.96
Amortization expense	-	-	-
Accumulated amortization on deletions	52.96	-	52.96
Accumulated amortization as at March 31, 2020	-	-	-
Carrying value as at April 01, 2019	8.37	-	8.37
Carrying value as at March 31, 2020	-	-	-

**Notes Forming Part of The Standalone Financial Statements**

For the year ended March 31, 2021

**Note 4: Investments: Non-current**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Equity instruments of subsidiaries	4,872.77	4,872.77
Investment in subsidiary other than equity	230.86	-
	<b>5,103.63</b>	<b>4,872.77</b>

**Note 5: Loans: Non-current**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Loan receivables considered good – Unsecured		
Loans to related parties	408.99	-
	<b>408.99</b>	<b>-</b>

**Note 6: Deferred Tax Assets (net) / Deferred Tax Liabilities (net)**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Deferred tax assets	118.98	70.97
MAT Credit Entitlement	50.64	6.84
<b>Deferred tax assets (net)</b>	<b>169.62</b>	<b>77.81</b>

**Note 7 : Trade Receivables : Current**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Trade receivables - Unsecured		
Considered good	127.62	120.36
	<b>127.62</b>	<b>120.36</b>

**Note 8 : Cash and Cash Equivalents**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Balances with banks	107.11	209.59
Cash on hand	0.06	0.16
Margin money and security deposits with banks	-	0.87
Bank deposits - current	-	400.00
	<b>107.17</b>	<b>610.62</b>
Particulars	Mar 31, 2021	Mar 31, 2020

**Note 9 : Other Current Assets**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Advances other than capital advances:		
Advance to vendors	-	2.51
Prepaid expenses	49.02	28.95
Withholding taxes and others	46.79	26.41
Advance income tax	6.51	-
	<b>102.32</b>	<b>57.86</b>

**Note 10 : Equity Share Capital**

₹ in Lakhs, except as otherwise stated

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
<b>Authorized</b>		
Equity shares of ₹1 each		
March 31, 2021: 18,00,00,000 equity shares of ₹1 each	1,800.00	
March 31, 2020: 18,00,00,000 equity shares of ₹1 each		1,800.00

Issued, Subscribed and Fully paid up		
Equity shares of ₹1 each		
March 31, 2021: 11,99,67,627 equity shares of 1 each	1,199.68	
March 31, 2020: 11,99,67,627 equity shares of 1 each		1,199.68

#### Reconciliation of the number of shares outstanding

Particulars	Number of shares	
	2021	As at March 31, 2020
Shares outstanding at the beginning of the year	11,99,67,627	1,26,55,200
Shares issued during the year	-	10,73,12,427
Shares outstanding at the end of the year	11,99,67,627	11,99,67,627

#### Details of shareholder holding more than 5% of aggregate shares

Name of the shareholder % of share holding	As at	
	Mar 31, 2021	Mar 31, 2020
Ramarao Atchuta Mullapudi		7,67,45,156.00
% of share holding		63.97

#### Note 11 : Provisions : Non-current

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Provision for employee benefits		
Gratuity	10.74	4.84
Leave encashment	8.46	-
	<b>19.20</b>	<b>4.84</b>

#### Note 12 : Other Current Liabilities

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Statutory payables	9.70	9.60
Payroll payables	2.03	30.08
Other payables	5.46	5.10
	<b>17.19</b>	<b>44.78</b>

#### Note 13 : Provisions : Current

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Provision for employee benefits		
Gratuity	0.02	0.01
Leave encashment	0.33	-
Provision for Income tax	-	6.84
Provision for other expenses	5.30	-
	<b>5.66</b>	<b>6.85</b>

#### Note 14 : Revenue from Operations

Particulars	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Revenue from sale of services	1,005.61	523.39
	<b>1,005.61</b>	<b>523.39</b>

#### Note 15 : Other Income

Particulars	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Interest income	41.55	11.08
Net foreign exchange gain / (loss)	(7.54)	9.98
Other income	0.51	27.44
	<b>34.52</b>	<b>48.50</b>



**Note 16 : Employee Benefits Expenses**

Particulars	₹ in Lakhs	
	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Salaries, incentives and allowances	564.68	286.95
Cost of services	12.04	3.23
Defined contribution plans (Contribution to provident fund and other funds)	15.26	10.15
Defined benefit plans (Gratuity and other benefits)	13.48	4.85
Staff welfare expenses	0.50	3.20
	<b>605.97</b>	<b>308.38</b>

**Note 17 : Finance costs**

Particulars	₹ in Lakhs	
	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Interest	-	2.25
	<b>-</b>	<b>2.25</b>

**Note 18 : Other Expenses**

Particulars	₹ in Lakhs	
	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Rent	11.04	4.60
Rates and taxes	3.01	1.84
Communication expenses	3.35	4.31
Software and licenses	11.71	5.22
Legal and professional fee	51.99	34.85
Repairs and maintenance	0.04	0.02
Consumables	1.04	5.89
Insurance	4.10	3.73
Advertisement and promo expenses	28.34	7.97
Recruitment and training	9.11	1.81
Travel	0.51	0.24
General office expenses	0.13	0.00
Auditor's remuneration		
Statutory audit fee	2.00	2.50
Tax matters	0.30	-
Company law matters		-
Other services	0.81	-
Others	5.13	20.84
	<b>132.61</b>	<b>93.83</b>

As per our report of even date attached

For Niranjana & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

M. Niranjana  
Partner  
Membership Number: 029552

Hyderabad, India  
Date: May 18, 2021

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

Ramarao A Mullapudi  
Managing Director  
DIN:02302179

K Raghuram  
CFO

Hyderabad, India  
Date: May 18, 2021

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

G Shikha  
Company Secretary

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED QUARTERLY FINANCIAL RESULTS OF XTGLOBAL INFOTECH LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

TO  
THE BOARD OF DIRECTORS OF  
XTGLOBAL INFOTECH LIMITED,  
(FORMERLY FRONTIER INFORMATICS LIMITED)

**Opinion**

We have audited the accompanying Statement of Consolidated Financial Results of XTGlobal Infotech Limited (the "Company"), for the quarter and year ended March 31, 2021 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- I. Include the quarterly financial results of the following entities (list of entities included in consolidation);
  - a. XTGlobal Infotech Limited, India (Parent Company)
  - b. Xenosoft Technologies India Private Limited, India (Subsidiary)
  - c. XTGlobal Inc., USA (Indirect Subsidiary)
  - d. Circulus LLC., USA (Indirect Subsidiary)
- II. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- III. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2021.

**Basis for Opinion**

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA" s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the quarter and year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Other Matters**

The accompanying financial statements includes audited interim financial results and other audited financial information of 3 subsidiaries whose consolidated interim financial statements reflect Group's Share of total revenue of Rs. 48.67 Crores, Group's share of Net profit after tax of Rs. 3.56 Crores, before making inter-company adjustments for quarter ended March 31, 2021

These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the financial results for the quarter and year ended March 31, 2021 to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

### **Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Consolidated Financial Results of the Company to express an opinion on the Consolidated Financial Results.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

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

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD 1 /44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**For NIRANJAN & NARAYAN**

Chartered Accountants

ICAI FRN:005899S

Place: Hyderabad

Date: 18/05/2021

**M NIRANJAN**

Partner

Membership Number:029552

**UDIN: 21029552AAAAFL2925**

## XTGlobal Infotech Limited

## Consolidated Balance Sheet

As at March 31, 2021

₹ in Lakhs

Particulars	Note No.	As at	
		Mar 31, 2021	Mar 31, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3	1,808.49	1,963.98
Capital Work-in-progress		5,899.45	3,940.71
Goodwill		1,577.36	1,493.15
Intangible Assets		1,024.92	678.85
Financial Assets			
Other Financial Assets			
Tax Assets (net)		26.36	28.46
Deferred Tax Assets (net)	4	426.11	54.89
Other Non-current Assets	5	38.04	21.01
<b>Total Non-current Assets</b>		<b>10,800.73</b>	<b>8,181.04</b>
<b>Current Assets</b>			
Financial Assets			
Investments			
Trade Receivables	6	4,123.57	4,143.26
Cash and Cash Equivalents	7	1,046.13	1,910.58
Bank balances other than cash and cash equivalents	8	257.87	107.87
Current Tax Assets (net)			
Other Current Assets	9	1,111.42	2,575.31
<b>Total Current Assets</b>		<b>6,538.99</b>	<b>8,737.02</b>
<b>TOTAL ASSETS</b>		<b>17,339.72</b>	<b>16,918.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	1,199.68	1,199.68
Other Equity		6,471.96	4,530.94
<b>Total Equity</b>		<b>7,671.64</b>	<b>5,730.61</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	11	4,494.07	3,573.42
Other Financial Liabilities	12	54.82	66.83
Provisions	13	149.34	89.09
<b>Total Non-current Liabilities</b>		<b>4,698.22</b>	<b>3,729.34</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	473.18	1,297.68
Trade Payables			
Dues of creditors other than micro enterprises and small enterprises		928.87	737.89
Current Tax Liabilities (net)		-	69.86
Other Current Liabilities	15	3,456.82	5,286.57
Provisions	16	110.98	66.12
<b>Total Current Liabilities</b>		<b>4,969.86</b>	<b>7,458.11</b>
<b>Total Equity and Liabilities</b>		<b>17,339.72</b>	<b>16,918.07</b>

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For Niranjana & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

Ramarao A Mullapudi  
Managing Director  
DIN:02302179

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

M. Niranjana  
Partner  
Membership Number: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Hyderabad, India  
Date: May 18, 2021

Hyderabad, India  
Date: May 18, 2021

**Consolidated Statement of Changes in Equity****A. Equity Share Capital**

₹ in Lakhs

Balance as at April 01, 2020 1,199.68	Changes during the year 0.00	Balance as at March 31, 2021 1,199.68
Balance as at April 01, 2019 126.55	Changes during the year 1,073.12	Balance as at March 31, 2020 1,199.68

**B. Other Equity**

₹ in Lakhs

Particulars	Reserves and surplus			Total
	Securities Premium	Retained Earnings	Exchange difference on translating the financial statements	
Balance as at April 01, 2019	-	(301.90)	-	(301.90)
Transfers during the year	4,602.21	230.63	-	4,832.84
Balance as at March 31, 2020	4,602.21	(71.27)	-	4,530.94
Balance as at April 01, 2020	4,602.21	(71.27)	-	4,530.94
Transfers during the year	-	2,017.04	(88.34)	1,941.03
Balance as at March 31, 2021	4,602.21	1,945.77	(88.34)	6,471.96

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached  
For Niranjn & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

M. Niranjn  
Partner  
Membership Number: 029552

Hyderabad, India  
Date: May 18, 2021

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

Ramarao A Mullapudi  
Managing Director  
DIN:02302179

K Raghuram  
CFO

Hyderabad, India  
Date: May 18, 2021

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

G Shikha  
Company Secretary

**Consolidated Statement of Profit and Loss**

For the year ended March 31, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended	
		Mar 31, 2021	Mar 31, 2020
Revenue From Operations	17	18,094.37	19,529.18
Other Income	18	85.01	(102.26)
<b>Total Income</b>		18,179.39	19,426.92
<b>EXPENSES</b>			
Employee benefits expenses	19	15,460.54	17,339.28
Finance costs	20	198.29	113.02
Depreciation and amortization expense	3	469.52	114.75
Other expenses	21	1,315.88	1,467.71
<b>Total expenses</b>		17,444.22	19,034.77
Profit before exceptional items and tax		735.17	392.15
Exceptional Items		1,407.25	-
<b>Profit before tax</b>		2,142.42	392.15
Tax expense:			
Current tax		492.44	57.22
Deferred tax		(367.06)	(53.76)
<b>Profit for the year</b>		2,017.04	388.69
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		12.32	(21.39)
<b>Total Other Comprehensive Income</b>		12.32	(21.39)
<b>Total Comprehensive Income for the year</b>		2,029.36	367.30
<b>Earnings per equity share</b>			
Basic		1.69	0.55
Diluted		1.69	0.55

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For Niranjana & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

M. Niranjana

Partner  
Membership Number: 029552

Hyderabad, India  
Date: May 18, 2021

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

Ramarao A Mullapudi  
Managing Director  
DIN:02302179

K Raghuram  
CFO

Hyderabad, India  
Date: May 18, 2021

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

G Shikha  
Company Secretary

**Consolidated Statement of Cash Flows**

For the year ended March 31, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended	
		Mar 31, 2021	Mar 31, 2020
<b>Cash Flow from Operating Activities</b>			
Profit before tax		2,142.42	392.15
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		469.52	114.75
Finance cost		-	113.02
Interest and dividend income		(41.76)	(15.90)
Exchange differences on translation of assets and liabilities		(88.34)	-
Unrealized Exchange (Gain)/ Loss (net)		-	-
Provisions		60.25	-
Other comprehensive income		12.32	-
Other		-	234.78
<b>Changes in assets and liabilities</b>			
Trade receivables and unbilled revenue		19.69	(855.61)
Trade payables		190.98	(3,208.51)
Other financial assets and other assets		1,446.86	(1,267.68)
Other financial liabilities, other liabilities and provisions		(1,796.89)	6,223.96
Cash generated from operating activities		2,415.05	1,730.96
Income taxes paid		(564.36)	(57.22)
<b>Net cash generated from operating activities</b>		1,850.69	1,673.74
<b>Cash Flow from Investing Activities</b>			
Expenditure on property, plant and equipment		(2,618.84)	(1,711.44)
Deposits with banks		(150.00)	-
Loan given to subsidiaries		-	(4,872.77)
Goodwill		(84.22)	
Proceeds from return on investment		41.76	15.90
<b>Net cash used in investing activities</b>		(2,811.30)	(6,568.31)
<b>Cash Flow from Financing Activities</b>			
Issue of Equity share capital		-	5,675.33
Borrowings		1,460.04	820.04
Repayment of borrowings (net)		(1,363.90)	(911.62)
Finance cost paid		-	(113.02)
<b>Net cash generated from financing activities</b>		96.15	5,470.73
<b>Net increase / (decrease) in cash and cash equivalents</b>		(864.46)	576.16
<b>Cash and cash equivalents at the beginning of the year</b>		1,910.58	1,334.42
<b>Cash and cash equivalents at the end of the year</b>		1,046.12	1,910.58

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For Niranjana & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

M. Niranjana

Partner  
Membership Number: 029552

Hyderabad, India  
Date: May 18, 2021

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

Ramarao A Mullapudi  
Managing Director  
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Hyderabad, India  
Date: May 18, 2021

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

G Shikha  
Company Secretary



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### A. General Information

XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) was incorporated under the provisions of Companies Act, 1956 as a limited company on July 29, 1986. It has been operating in the spheres of Software product development, training and software services since its inception. The Equity shares of the company are listed in Bombay Stock Exchange Limited (BSE) since 1996. The Company along with Xenosoft Technologies (India) Private Limited, XTGlobal Inc and Circulus LLC are together referred to as "the Group".

### B. Basis of preparation of financial statements

#### B.1. Statement of Compliance

These financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) Specified under section 133 of the Companies Act, 2013("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other provisions to the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. Previous year figures have been regrouped/re-arranged, wherever necessary.

The financial statements were authorized for issue by the Company's Board of Directors on 18<sup>th</sup> May 2021.

Details of the accounting policies are included in Note 1.

#### B.2 Basis of preparation and presentation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared under the historical cost convention and on an accrual and going concern basis except for the material items:

- Derivative financial instruments are measured at fair value.
- The defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.
- Long term loans are measured at amortized cost using the effective interest rate method.

#### B.3 Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Group. All amounts are in Indian Rupees except share data, unless otherwise stated.

## B.4 Operating Cycle

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out under Ind As and in the Schedule III to the Companies Act, 2013.

### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

## B.5 Critical Accounting Judgements and Key Sources of Estimation Uncertainty.

In the application of the Group's accounting policies, which are described in Note 1, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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 periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### a) **Revenue Recognition:**

The Group applies judgement to determine whether each service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Group is unable to determine the stand-alone selling price, the Group uses expected cost-plus margin approach in estimating the standalone selling price. The Group uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**b) Impairment Testing**

Investments in subsidiaries and intangible assets (if any) are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**c) Income Taxes**

Tax jurisdiction for the Company is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in Income tax assessments. Such assessments involve complex issues which would only be resolved over extended time periods.

**d) Deferred Taxes**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

**e) Defined Benefit Plans and Compensated Absences**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method as recommended by Ind AS 19. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f) Useful lives of Property, Plant and Equipment**

The Group depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. Depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed by management of the Group periodically, including at end of each financial year.

**B.6. Fair Value Measurement and Valuation Process:**

The Group measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**1. Significant Accounting Policies****1.1 Revenue Recognition**

The Group derives revenue primarily from software development, maintenance of software and related services and business process services.

Revenues are shown net of goods and services tax. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Group reliably expects to receive in exchange for those products or services. To recognise revenues, the Group applies the following five step approach:

1. identify the contract with a customer,
2. identify the performance obligations in the contract,
3. determine the transaction price,
4. allocate the transaction price to the performance obligations in the contract, and
5. recognise revenues when a performance obligation is satisfied

At contract inception, the Group assesses its promise to transfer its services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Group is unable to determine the stand-alone selling price, the Group uses third-party prices for similar deliverables or the Group uses expected cost-plus margin approach in estimating the stand-alone selling price.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. In case of volume-based contracts, revenues and costs are recognized as related services are rendered.

## **1.2 Other Income**

Other income is comprised primarily of interest income, rental income and exchange gain / loss. Interest income is recognized using the effective interest method.

## **1.3 Foreign Currency Transactions.**

### **Functional Currency**

The functional currency of the Group is the Indian rupee. These financial statements are presented in Indian rupees (rounded off wherever required)

### **Transactions and Translations**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which it arises except for;

(a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.

(b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

#### **1.4 Taxes on Income Tax and Deferred Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### **1) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be paid to the income tax authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

##### **2) Deferred income tax**

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realized. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Group has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

##### **3) Minimum Alternate Tax**

MAT credit entitlement represents amounts paid in a year under Section 115JB of the Income Tax Act 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off against future tax payments for ten succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Group as a result of past events and there is evidence as at the reporting date that the Group will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as 'MAT Credit entitlement', under 'Other non-current financial assets' in balance sheet with a corresponding credit to the profit and loss account, as a separate line item. Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

#### **1.5 Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group and includes post tax effect of any exceptional item by the weighted average number of equity shares outstanding during the period excluding the shares owned by the Trust, outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### 1.6 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Cost of an item of PPE comprises of its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

### 1.7 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life as per Ind AS 16 and is provided on a Reduced Balance Method basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Particulars	Useful life
Plant and Machinery	3
Network Devices	6
Office Equipment – Others	5

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

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.

### **1.8 Impairment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount.

### **1.9 Financial Instruments**

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### **Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **Investments**

Investment in subsidiaries are measured at cost less impairment.

#### **Financial Assets at Amortized Cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial Assets at Fair Value through Other Comprehensive Income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial Assets at Fair Value through Profit or Loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.



## Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Derecognition

### Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

## 1.10 Provisions

Provisions are recognized when the Group 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

## 1.11 Statement of Cash Flows (Cash Flow Statement)

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

## 1.12 Employee Benefits

**1. Provident Fund:** Employees of the Group receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the



provident fund trust managed by the Group or Government administered provident fund. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

## 2. Gratuity:

The Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

## 3. Compensated Absences:

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by Estimation Basis. The actuarial valuation is done at the end of the year. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

### 1.13 Investments in Subsidiaries and Associates

The Group's investment in its Subsidiaries and Associates are carried at cost.

Disclosure under Ind AS 19 "Employee Benefits" are given below

#### A. Gratuity:

**Table 1: Change in Defined Benefit Obligation**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	DBO at the beginning of the period	-	4,85,014
2	Liability Transfer in	-	-
3	Interest Expense	-	32,981
4	Past Service Cost/(credit) – vested benefits	26,227	-
5	Past Service Cost/(credit) – Non vested benefits	-	-
6	Current Service Cost	4,58,787	4,35,671
7	Curtailment Cost/ (credit)	-	-
8	Settlement Cost/ (credit)	-	-
9	Plan Amendments	-	-
10	Benefit payments	-	-
11	Actuarial (gains) loss on Obligation	-	1,22,721
12	DBO at the end of the period	4,85,014	10,76,387

#### Bifurcation of the present value of obligation at the end of the year

	31-03-2020	31-03-2021
Current Liabilities	928	2,350
Non-Current Liabilities	4,84,085	10,74,036

**Table 2: Change in Fair Value of Plan Assets**

S.No .	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Fair value of plan assets at the beginning of the period	-	-
2	Adjustment to opening balance (for charges)	-	-
3	Expected return on plan assets (calculated at discount rate)	-	-
4	Employer's contributions	-	-
5	Employee's contributions	-	-
6	Benefit payments	-	-
7	Return on plan assets, excluding amount recognized in net interest expense	-	-
8	Fair value of plan assets at the end of the period	-	-

**Table 3: Fair Value of Plan Assets**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Fair value of plan assets at the beginning of the period	-	-
2	Adjustment to opening balance (for charges)	-	-
3	Actual return on plan assets	-	-
4	Employer's contributions	-	-
5	Employee's contributions	-	-
6	Benefit payments	-	-
7	Fair value of plan assets at the end of the period	-	-

**Table 4: Net Interest (Income)/Expense**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Interest Expense – Obligation	-	32,981
2	Interest Income – Plan Assets	-	-
3	Net Interest (Income)/ Expense for the year	-	32,981

**Table 5: Breakup of Service Cost**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Past Service Cost	26,227	-
2	Current Service Cost	4,58,787	4,35,671
3	Curtailment Cost/ (Credit) on Plan amendments	-	-
4	Settlement Cost/ (Credit) on Plan amendments	-	-

**Table 6: Re-measurements for the Year (Actuarial (Gains)/ Loss)**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Experience (Gain)/ Loss on plan liabilities	-	1,42,505
2	Demographic (Gain)/ Loss on plan liabilities	-	-
3	Financial (Gain)/ Loss on plan liabilities	-	(19,784)
4	Experience (Gain)/ Loss on plan assets	-	-
5	Financial (Gain)/ Loss on plan assets	-	-

**Table 7: Amount Recognized in the Statement of Other Comprehensive Income - OCI**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Actuarial (gain)/ loss for the year – Obligation	-	1,22,721
2	Return on plan assets, excluding amount recognized in net interest expense	-	-
3	Re-measurements cost/ (credit) for the year	-	1,22,721

**Table 8: Amount Recognised in the Balance Sheet**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Present value of the Obligation as at the end of the period	4,85,014	10,76,387
2	Fair Value of the Plan Assets as at the end of the period	-	-
3	Funded Status - Deficit/ (Surplus)	4,85,014	10,76,387
4	Net Asset / (Liability) recognized in the balance sheet	(4,85,014)	(10,76,387)

**Table 9: Net Periodic Benefit Cost Recognized in the Statement of Profit and Loss**

S.No.	Particulars	In Rs.
1	Current Service Cost	4,35,671
2	Past Service Cost	-
3	Net Interest (Income)/ Expense	32,981
4	Curtailement Cost/ (Credit)	-
5	Settlement Cost/ (Credit)	-
6	Net Periodic Benefit cost recognized in P & L	4,68,582

**B. Leave Encashment****Table 1: Change in Defined Benefit Obligation**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Present Value of the Obligation as at the beginning of the period	-	-
2	Acquisition adjustment	-	-
3	Transfer In/ (Out)	-	-
4	Interest Expense	-	-
5	Past Service Cost/(credit) – vested benefits	-	-
6	Past Service Cost/(credit) – Non vested	-	-
7	Current Service Cost	-	11,56,388
8	Curtailement Cost/ (credit)	-	-
9	Settlement Cost/ (credit)	-	-
10	Benefit payments	-	(2,77,261)
11	Remeasurement or Actuarial (gains) loss on Obligation arising from:		
12	- change in demographic assumptions	-	-
13	- change in financial assumptions	-	-
14	- experience variance (actual experience Vs assumptions)	-	-
15	Present Value of the Obligation as at the end of the period	-	8,79,127

**Table 2: Bifurcation of the present value of obligation at the end of the year**

	31-03-2020	31-03-2021
Current Liabilities	-	33,086
Non-Current Liabilities	-	8,46,040

**Table 3: Change in Fair Value of Plan Assets**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Fair value of plan assets at the beginning of the period	-	-
2	Acquisition Adjustment	-	-
3	Interest income on plan assets (calculated at discount rate)	-	-
4	Employer's contributions	-	-
5	Employee's contributions	-	-
6	Benefit payments	-	-
7	Return on plan assets, excluding amount recognized in net interest expense	-	-
8	Fair value of plan assets at the end of the period	-	-

**Table 4: Amount to be Recognized in the Balance Sheet**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Present value of the Obligation as at the end	-	8,79,127
2	Fair Value of the Plan Assets as at the end of the period	-	-
3	Funded Status - Deficit/ (Surplus)	-	8,79,127
4	Net Asset / (Liability) recognized in the	-	(8,79,127)

**Table 5: Expense Recognized in the Statement of Profit and Loss**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Current Service Cost	-	11,56,388
2	Acquisition (Gain)/ Loss	-	-
3	Past Service Cost	-	-
4	Interest Cost	-	-
5	Expected Return on Plan Assets	-	-
6	Curtailement (Gain)/ Loss	-	-
7	Settlement (Gain)/ Loss	-	-
8	Transfer In/ (Out)	-	-
9	Remeasurement or Actuarial (Gain)/ Loss recognized in the period	-	-
10	Expense recognized in the statement of P&L at the end of the period	-	11,56,388

**Table 6: Reconciliation of Net Assets/ (Liability) Recognized**

S.No.	Particulars	For the period ending	
		31-03-2020	31-03-2021
1	Net Asset/ (liability) recognized at the beginning of the period	-	-
2	Company Contribution	-	-
3	Benefits paid directly by the company	-	2,77,261
4	Expense recognized at the end of the period	-	(11,56,388)
5	Mortality Charges and taxes	-	-
6	Impact of Transfer (In)/ Out	-	-
7	Net Asset/ (liability) recognized at the end of the period	-	(8,79,127)

#### 4. Notes to Standalone financial statements for the year ended March 31, 2021

Accounts in the financial statements are presented in Rupees (₹), except for per share data and as otherwise stated.

##### 4.1 Disclosure of related parties/related party transactions pursuant to IND AS24 "Related Party Disclosures"

###### Names of the related parties and nature of relationship:

Name of the related party	Nature of relationship
<b>Entities controlled/ jointly controlled by Key Management Personnel</b>	
Xenosoft Technologies (India) Private Limited <sup>(1)</sup>	Wholly owned- Subsidiary
XTGlobal Inc.	Indirect subsidiary
Mullapudi Ventures LLC	Entity controlled by Mr. M A Ramarao, Managing Director
<b>Key-management personnel (KMP)</b>	
Mr. Ramarao Atchuta Mullapudi	Chairman and Managing Director
Ms. Sreedevi Vuppuluri	Whole-time Director
Mr. Venkata Madhusudhana Rao Paladugu	Independent Director
Mr. China Surya Narayana Murthy Anupindi	Independent Director
Mr. Sreenivasa Rao Potti	Independent Director
Mr. Narasimha Raju Kalidindi	Independent Director
Mr. Jagannatha Prasad Malireddy	Non-Executive Director
Mr. Saibaba Karuturi	Independent Director
Mr. Srinivasa Raju Kosuri	Non-Executive Director
Mr. Raghuram Kusuluri	Chief Financial Officer
Ms. Shikha Gangrade	Company Secretary
<b>Relative of Key Management Personnel</b>	
Ms. Harika Vardhani Mullapudi	Relative of Managing Director

###### Transactions with related parties during the year ended March 31, 2021

Rs. In Lakhs

Nature of transaction	Key-management personnel	Entities controlled/ jointly controlled by KMP	Balance as on March 31, 2021
Remuneration to			
- Mr. Raghuram Kusuluri	18.50	-	-
- Ms. Shikha Gangrade	6.78	-	-
- Mr. Ravindra Dunna Venkata	41.68	-	-
- Ms. Vuppuluri Sreedevi	9.87	-	-
- Mr. Ramarao Atchuta Mullapudi	383.31	-	-
- Ms. Harika Vardhani Mullapudi	112.81	-	-
- Mr. Sharyala Gangadhar	122.27	-	-
Unsecured loan from Ramarao Atchuta Mullapudi	-	-	724.00
Interest on loan from Ramarao Atchuta Mullapudi	51.22	-	42.23
Repayment of Loan taken from Mullapudi ventures LLC	-	1082.89	-
Sitting fee to			
- Mr. Sreenivasa Rao Potti	0.50	-	-
- Mr. China Surya Narayana Murthy Anupindi	0.10	-	-
- Mr. Narasimha Raju Kalidindi	0.80	-	-
- Mr. Venkata Madhusudhana Rao Paladugu	1.00	-	-
- Mr. Jagannatha Prasad Malireddy	0.60	-	-
- Mr. Saibaba Karuturi	0.40	-	-

**4.2** In the opinion of the Board of Directors of the company the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they have been stated in the Balance Sheet as on March 31, 2021.

**4.3** Letters have been issued to parties for confirmation of balances with the request to confirm or send comment by the stipulated date failing which balance as indicated in the letter would be taken as confirmed.

**4.4** The Company has during the year sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, the Company believes that it does not have any outstanding dues to micro, small and medium enterprises. Further, the Company has not paid any interest to the micro, small and medium enterprises.

#### 4.5 Earnings per share (EPS)

The computation of Earnings per share is set out below:

	Year ended March 31, 2020	Year ended March 31, 2021
Earnings: (₹)		
Net Profit for the year	3,67,30,369	20,29,36,285
Shares:		
Number of shares at the beginning of the year	1,26,55,200	11,99,67,627
Add: No. of equity shares issued		-
	10,73,12,427	
Total number of equity shares outstanding at the end of the year	11,99,67,627	11,99,67,627
Weighted average number of equity shares outstanding during the year	6,63,52,686	11,99,67,627
Basic and Diluted Earnings per share - Par value of ₹10 (₹)	0.55	1.69

**4.8** During the month of March 2020, sudden outbreak COVID-19 pandemic has pushed governments to enforce lockdowns in various stages. Due to Business continuity plan of the Group, the group was able to continue its business processes and deliver to its clients seamlessly without disruptions though most of the employees working from home. In spite of uncertainties and unprecedented business crisis all over the globe, it is believed that the company could steer through turbulent times.

**4.9** The previous period figures have been regrouped / re-classified, wherever necessary to conform to the current period presentation.

For Niranjana & Narayan  
Chartered Accountants

For and on behalf of the board

M. Niranjana  
Partner,  
Membership No.029552

M Atchuta Ramarao  
Managing Director

V. Sreedevi  
Whole-Time Director

Place: Hyderabad  
Date: 18<sup>th</sup> May 2021

K Raghuram  
CFO

G Shikha  
Company Secretary

**Notes Forming Part of The Consolidated Financial Statements**

For the year ended March 31, 2021

**Note 3 : Property, Plant and Equipment**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 :

₹ in Lakhs

Particulars	Computers	Office equipment	Furniture and fixtures	Freehold land	Freehold buildings	Other assets	Foreign assets	Total
Gross carrying value as at April 01, 2020	575.65	120.01	212.44	169.95	1,203.47	309.67	423.19	3,014.37
Additions	32.23	16.32	-	-	-	-	1.23	49.78
Deletions	0.40	-	-	-	-	-	-	0.40
Gross carrying value as at March 31, 2021	607.48	136.33	212.44	169.95	1,203.47	309.67	424.42	3,063.76
Accumulated depreciation as at April 01, 2020	420.54	29.71	49.23	1.93	52.79	79.34	416.87	1,050.40
Depreciation	61.39	5.93	13.83	60.48	21.26	36.91	5.48	205.27
Accumulated depreciation on deletions	0.40	-	-	-	-	-	-	0.40
Accumulated depreciation as at March 31, 2021	481.53	35.63	63.06	62.41	74.05	116.24	422.34	1,255.27
Carrying value as at April 01, 2020	155.11	90.30	163.21	168.02	1,150.68	230.33	6.32	1,963.98
Carrying value as at March 31, 2021	125.95	100.70	149.38	107.54	1,129.43	193.42	2.07	1,808.49

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 :

₹ in Lakhs

Particulars	Computers	Office equipment	Furniture and fixtures	Freehold land	Freehold buildings	Other assets	Foreign assets	Total
Gross carrying value as at April 01, 2019	529.57	119.32	204.93	169.95	1,176.23	244.86	423.19	2,868.05
Additions	46.08	0.69	7.50	-	27.25	64.81	-	146.33
Deletions	-	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2020	575.65	120.01	212.44	169.95	1,203.47	309.67	423.19	3,014.37
Accumulated depreciation as at April 01, 2019	367.10	23.98	35.79	-	33.96	56.03	416.87	933.71
Depreciation	53.44	5.73	13.44	1.93	18.83	23.31	-	116.68
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2020	420.54	29.71	49.23	1.93	52.79	79.34	416.87	1,050.40
Carrying value as at April 01, 2019	162.47	95.34	169.14	169.95	1,142.27	188.83	6.32	1,934.33
Carrying value as at March 31, 2020	155.11	90.30	163.21	168.02	1,150.68	230.33	6.32	1,963.98



**Note : Intangible Assets**

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2021 :

₹ in Lakhs

Particulars	Computer Software	Others	Total
Gross carrying value as at April 01, 2020	1,661.37	-	1,661.37
Additions	672.88	-	672.88
Deletions	-	-	-
Gross carrying value as at March 31, 2021	2,334.24	-	2,334.24
Accumulated amortization as at April 01, 2020	982.52	-	982.52
Amortization expense	326.81	-	326.81
Accumulated amortization on deletions	-	-	-
Accumulated amortization as at March 31, 2021	1,309.33	-	1,309.33
Carrying value as at April 01, 2020	678.85	-	678.85
Carrying value as at March 31, 2021	1,024.92	-	1,024.92

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2020 :

₹ in Lakhs

Particulars	Computer Software	Others	Total
Gross carrying value as at April 01, 2019	1,722.70	-	1,722.70
Additions	-	-	-
Deletions	61.33	-	61.33
Gross carrying value as at March 31, 2020	1,661.37	-	1,661.37
Accumulated amortization as at April 01, 2019	1,035.48	-	1,035.48
Amortization expense	-	-	-
Accumulated amortization on deletions	52.96	-	52.96
Accumulated amortization as at March 31, 2020	982.52	-	982.52
Carrying value as at April 01, 2019	687.22	-	687.22
Carrying value as at March 31, 2020	678.85	-	678.85

**Notes Forming Part of The Consolidated Financial Statements**

For the year ended March 31, 2021

**Note 4 : Deferred Tax Assets (net) / Deferred Tax Liabilities (net)**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Deferred tax assets / (liabilities)	314.19	(47.76)
MAT Credit Entitlement	111.92	102.65
<b>Deferred tax assets (net)</b>	<b>426.11</b>	<b>54.89</b>

**Note 5 : Other Non-current Assets**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Capital advances	-	-
Advances other than capital advances	-	-
Security deposits	38.04	21.01
Advances to related parties	-	-
Other advances	-	-
Others	-	-
Deferred expenditure	-	-
	<b>38.04</b>	<b>21.01</b>

**Note 6 : Trade Receivables : Current**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Trade receivables - Unsecured		
Considered good	4,123.57	4,143.26
Considered doubtful	-	-
	<b>4,123.57</b>	<b>4,143.26</b>

**Note 7 : Cash and Cash Equivalents**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Balances with banks	1,045.93	546.30
Cash on hand	0.19	1.55
Bank deposits - current	-	1,362.73
	<b>1,046.13</b>	<b>1,910.58</b>

**Note 8 : Bank balances other than cash and cash equivalents**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Margin money and security deposits with banks	107.87	107.87
Other bank balances	150.00	-
	<b>257.87</b>	<b>107.87</b>

**Note 9 : Other Current Assets**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2021	Mar 31, 2020
Advances other than capital advances:		
Advance to vendors	204.93	264.61
Advance to employees	400.62	333.86
Loans to related parties	-	40.75
Prepaid expenses	240.59	261.54
Withholding taxes and others	118.30	102.27
Advance income tax	146.98	241.03
Others	-	1,331.24
	<b>1,111.42</b>	<b>2,575.31</b>

**Note 10 : Equity Share Capital**

Particulars	₹ in Lakhs, except as otherwise stated	
	As at	
	Mar 31, 2021	Mar 31, 2020
<b>Authorized</b>		
Equity shares of ₹1 each		
March 31, 2021: 18,00,00,000 equity shares of ₹1 each	1,800.00	
March 31, 2020: 18,00,00,000 equity shares of ₹1 each		1,800.00
<b>Issued, Subscribed and Fully paid up</b>		
Equity shares of ₹1 each		
March 31, 2021: 11,99,67,627 equity shares of 1 each	1,199.68	
March 31, 2020: 11,99,67,627 equity shares of 1 each		1,199.68

**Reconciliation of the number of shares outstanding**

Particulars	Number of shares	
	As at March 31,	
	2021	2020
Shares outstanding at the beginning of the year	11,99,67,627	1,26,55,200
Shares issued during the year	-	10,73,12,427
Shares outstanding at the end of the year	11,99,67,627	11,99,67,627

**Details of shareholder holding more than 5% of aggregate shares**

Name of the shareholder	As at	
	% of share holding	
	Mar 31, 2021	Mar 31, 2020
Ramarao Atchuta Mullapudi	7,83,36,049.00	7,67,45,156.00
% of share holding	65.30	63.97

**Note 11 : Borrowings : Non-current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2021	Mar 31, 2020
Secured borrowings:		
Term loans from banks	2,611.67	1,575.52
Unsecured borrowings:		
Loans from related parties	1,882.40	1,997.90
	<b>4,494.07</b>	<b>3,573.42</b>

**Note 12 : Other Financial Liabilities : Non-current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2021	Mar 31, 2020
Lease liability	54.82	66.83
	<b>54.82</b>	<b>66.83</b>

**Note 13 : Provisions : Non-current**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Provision for employee benefits		
Gratuity	104.79	89.09
Leave encashment	44.55	-
	<b>149.34</b>	<b>89.09</b>

**Note 14 : Borrowings : Current**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Secured borrowings:		
Term loans from banks	473.18	1,297.68
	<b>473.18</b>	<b>1,297.68</b>

**Note 15 : Other Current Liabilities**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Advances received from customers	(31.83)	-
Statutory payables	42.56	116.00
Payroll payables	3,023.96	3,434.61
Other payables	422.13	1,735.97
	<b>3,456.82</b>	<b>5,286.57</b>

**Note 16 : Provisions : Current**

₹ in Lakhs

Particulars	As at	
	Mar 31, 2021	Mar 31, 2020
Provision for employee benefits		
Gratuity	3.48	3.10
Leave encashment	0.33	-
Provision for Income tax	-	63.02
Provision for other expenses	107.18	-
	<b>110.98</b>	<b>66.12</b>

**Note 17 : Revenue From Operations**

₹ in Lakhs

Particulars	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Revenue from sale of services	18,094.37	19,529.18
	<b>18,094.37</b>	<b>19,529.18</b>

**Note 18 : Other Income**

₹ in Lakhs

Particulars	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Interest income	41.76	15.90
Net foreign exchange gain / (loss)	29.93	(148.92)
Other income	13.33	30.76
	<b>85.01</b>	<b>(102.26)</b>

**Note 19 : Employee Benefits Expenses**

₹ in Lakhs

Particulars	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Salaries, incentives and allowances	15,335.72	17,266.34
Defined contribution plans (Contribution to provident fund and other funds)	74.74	-
Defined benefit plans (Gratuity and other benefits)	47.19	-
Staff welfare expenses	2.89	72.94
	<b>15,460.54</b>	<b>17,339.28</b>

**Note 20 : Finance Costs**

₹ in Lakhs

Particulars	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Interest	198.29	113.02
	<b>198.29</b>	<b>113.02</b>

**Note 21 : Other Expenses**

₹ in Lakhs

Particulars	For the year ended	
	Mar 31, 2021	Mar 31, 2020
Rent	103.88	112.17
Rates and taxes	32.88	40.83
Power and fuel	23.73	54.03
Communication expenses	48.59	57.98
Software and licenses	416.43	649.76
Fee for professional services	412.81	80.39
Repairs and maintenance	6.39	15.77
Consumables	19.60	15.59
Insurance	20.02	19.11
Advertisement and promo expenses	60.46	79.49
Recruitment and training	22.74	9.80
Travel and conveyance	41.99	154.48
General office expenses	38.23	128.36
Auditor's remuneration		
Statutory audit fee	14.58	11.76
Tax matters	18.77	15.10
Company law matters	-	0.50
Other services	14.24	2.53
Others	20.53	20.06
	<b>1,315.88</b>	<b>1,467.71</b>

As per our report of even date attached

For Niranjn & Narayan  
Chartered Accountants  
Firm's Registration No.: 005899S

M. Niranjn

Partner  
Membership Number: 029552

Hyderabad, India  
Date: May 18, 2021

For and on behalf of the Board of Directors  
XTGlobal Infotech Limited

Ramarao A Mullapudi  
Managing Director  
DIN:02302179

K Raghuram  
CFO

Hyderabad, India  
Date: May 18, 2021

Sreedevi Vuppuluri  
Whole-time Director  
DIN:02448540

G Shikha  
Company Secretary

**FORM NO. AOC-1**

Statement containing salient features of the financial statement of  
Subsidiaries

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

All amounts in Rs.

S.No.	Name of the subsidiary	Date of Becoming Subsidiary	Start date of accounting period	End date of accounting period	currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of shareholding	Country
1	Xenosoft Technologies (India) Private Limited	12-03-20	01-04-20	31-03-21	INR	1.00	61855000	1111149712	1744137655	571132944	932456380	257250808	38910763	10617965	28714241	-	100	India
2	XTGlobal Inc.	29-01-10	01-04-20	31-03-21	USD	73.04	72400	462347823	1412522552	950102329	258224517	1481251605	161525720	5730981	155794739	-	100	USA
3	Circulus LLC	29-01-10	01-04-20	31-03-21	USD	73.04	-	317822245	527177412	844999657	0	225645344	14335303	0	14335303	-	100	USA

# Thank you!



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